PLEASURE TRAVEL MARKET TO NORTH AMERICA: ITALY, AUSTRALIA, BRAZIL, AND MEXICO

HIGHLIGHTS

U.S. DEPARTMENT OF COMMERCE
United States Travel
and Tourism Administration

PLEASURE TRAVEL MARKETS

TO NORTH AMERICA:

ITALY, AUSTRALIA, BRAZIL, AND MEXICO

HIGHLIGTHS REPORT

Parpared for:

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

TOURISM CANADA

By:

MARKET FACTS OF CANADA LIMITED

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Market Facts of Canada Limited conducted

this research on behalf of

Tourism Canada and the United States Travel and

Tourism Administration.

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INTRODUCTION

In June 1986, a five-year agreement was signed between Canada and the United States that allowed Tourism Canada and the United States Travel and Tourism Administration to undertake jointly funded travel market research in overseas countries. In the first year, such research was conducted in Japan and three European countries - the United Kingdom, West Germany, and France. In the second year of the program the countries studied were Switzerland, Hong Kong, and Singapore. In this the third year, the countries studied were Italy, Australia, Brazil and Mexico.

The objectives of this research were:

1. To provide broad-based marketing information on the long haul pleasure travel market

2. To identify and describe travel segments that are prime targets for travel to Canada and the United States

3. To describe elements of the travel product(s) required to meet the needs of the target travel market segments

4. To provide input to the development and placement of effective advertising and promotion to convert potential travel to actual travel to Canada and the United States

Between September and December of 1988, approximately 1,500 personal, in-home interviews averaging 50 minutes in length were conducted in each of Italy and Australia, 1,200 such interviews were conducted in Brazil, and 2,000 were conducted in Mexico. These represent the largest pleasure travel studies of these countries ever conducted for Canada or the United States.

Respondents in each country were people 18 years of age or older who had taken a vacation trip of four nights or longer in the past three years, or who intended to take such a trip in the next two years. For Italian travelers, trips were defined as being to destinations outside of Europe and the Mediterranean. For Australian travelers, trips were to destinations outside of Australia. For Brazilian travelers they were outside of South America, and for Mexican travelers they were outside of Mexico. There was a further qualification that the vacation trips had to be by plane, except for Mexico where they could be by any mode of transportation.

In all countries, respondents were identified by using a random probability cluster sampling procedure. Geographical areas were selected at random in which households at specified skip intervals were approached, and eligible respondents within households randomly chosen to participate in the personal interview. In Brazil and Mexico, due to the poverty levels of much of the population, only higher income urban areas were sampled. In Brazil this involved A and B social classes*, and in Mexico this involved A, B and C social classes.**

The results presented in this highlights report are intended to provide an overview of the main findings of the research, and to give an indication of the wealth of data generated by the research. Detailed written reports and extensive computer tabulations are available under separate cover for a nominal charge.

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* In Brazil, social class is determined using a system that awards points for ownership of various appliances, number of bathrooms in the household, servants employed, and so on. Altogether there are five social classes ranging from A through E. This system was developed and is commonly used by the market research industry in Brazil.

** In Mexico, social class is determined using such factors as occupation, income, quality of housing, and car and credit card ownership.

OVERVIEW OF THE FOUR MARKETS

Size and volume

The four markets examined in this study represent a large number of potential travelers.

The **incidence** of people 18 years of age or over who belonged to the target market* was 11% in Italy, 35% in Australia, 16% among A or B social classes living in urban areas of Brazil, and 67% among A, B or C social classes in urban areas of Mexico. The very much higher incidence in Mexico was due to the different definition of the target market used in that country.

In terms of how many **travelers** currently belong to the target market, there are about 4.7 million in Australia, another 4.7 million in Italy, and 2.6 million in Brazil. The figure for Mexico is much higher with about 8.3 million travelers in the target market.

The following table puts these figures into context with the other countries surveyed so far:

MARKET SIZE**

	No. of interviews	Population 18 years or over	Incidence of target market	Size of target market
Mexico	**2,000**	**12,375,000+**	**67%**	**8,300,000**
Japan	1,519	88,900,000	5%	4,700,000
Australia	**1,503**	**13,400,000**	**35%**	**4,700,000**
Italy	**1,445**	**42,400,000**	**11%**	**4,700,000**
West Germany	1,481	48,100,000	9%	4,300,000
France	1,484	40,500,000	7%	2,900,000
Brazil	**1,200**	**15,000,000++**	**16%**	**2,400,000**
United Kingdom	1,618	41,300,000	5%	2,000,000
Switzerland	1,528	5,100,000	23%	1,200,000
Hong Kong	1,232	3,920,000	28%	1,010,000
Singapore	1,232	1,870,000	28%	525,000

* For Italy, Australia and Brazil, those who took a vacation trip of four nights or more in the past three years by plane to an overseas destination, or who intended to take such a vacation in the next two years. For Mexico, the same qualifications except by any mode of transportation outside Mexico.

** At the time the country was surveyed (see Introduction)

\+ A, B and C social class living in urban areas (see Introduction)

++ A and B social class living in urban areas (see Introduction)

The number of vacation **trips** taken outside of these countries is even larger. In the past three years, Italians took a total of 5.2 million trips, Australians took 5.65 million trips, and Brazilians took 2.15 million trips. Mexicans again accounted for a disproportionate amount of travel having taken nearly 21 million trips in the last three years. The country by country comparison is as follows:

MARKET VOLUME*

	Size of target market	Average no. of trips	Volume of target market
Mexico	**8,300,000**	**2.5**	**20,750,000**
Japan	4,700,000	0.8	3,800,000
Australia	**4,700,000**	**1.2**	**5,650,000**
Italy	**4,700,000**	**1.1**	**5,200,000**
West Germany	4,300,000	1.0	4,300,000
France	2,900,000	1.1	3,200,000
Brazil	**2,400,000**	**0.9**	**2,150,000**
United Kingdom	2,000,000	1.3	2,600,000
Switzerland	1 200 000	1.5	1 800 000
Hong Kong	1 010 000	1.2	1 212 000
Singapore	525 000	1.5	788 000

The above figures indicate that all countries are significant travel markets presenting important opportunities for North American travel and tourism marketers.

* Based on trips in the past three years of four nights or more by plane to overseas destinations, except Mexico which was based on trips by any mode of transportation outside Mexico. All figures relate to the time at which the country was surveyed (see Introduction).

Demographic composition

While Italian travelers tended to be younger (under 45 years) as compared with the general population of their country, travelers from other countries were basically representative of the age distribution of the population.

In terms of education and household income, travelers from all countries were similar in that they were better educated and more affluent than the general population. (In Brazil, no reliable census figures were available for comparison purposes, though.)

Target market demographics

Relative to the adult population, the target market in each country was more likely to be ...

	Italy	Australia	Brazil	Mexico
Age:	Under 45 years	No different	No different	No different
Education:	High school and over	University/post graduate	***	Senior high school and over
Household income:	Over 31,000,000 lire*	Over 30,000 Australian dollars**	***	Over 25,000,000 pesos****

*   Approximately Can$28,000 or U.S.$23,000 as of late 1988

**   Approximately Can$29,000 or U.S.$23,800 as of late 1988

*** Comparison data for general population not available

**** Approximately Can$13,200 or U.S.$10,800 as of late 1988

ITALY

In order to better understand and meet the needs of long haul pleasure travelers, answers are required to such fundamental questions as how they travel while on vacation, where they go, what they do when they get there, what they are seeking in a vacation destination, and - especially for present purposes - how they view the United States and Canada as travel destinations.

What constitutes a typical overseas trip?

The long haul pleasure trips taken by Italian travelers lasted an average of 25 nights. About half of these trips involved some kind of package arrangements (e.g. flight/accommodation packages, guided tours, etc.). Trips were taken at all times of the year, but there was a slight preference for summer which accounted for 37% of all travel.

Half of all travel parties consisted of just one or two members, although the average party size overall was 3.9 people. Spouses and girl/boy friends were the most likely travel partners, and relatively few travelers took children under 18 years of age with them on their vacation.

Most trip destinations were decided well in advance (an average of about 16 weeks before departure), while the actual booking was done much closer to the trip itself (an average of about 6 weeks before departure). Travel agents were very important to vacationers as 90% booked at least part of their holiday with one, and 45% named them as their single most important source of planning information.

Where do travelers go on vacation, and where would they like to go?

The mainland United States is currently the most popular long haul destination among Italian travelers. It was a destination for about 30% of long haul trips taken in the past three years.

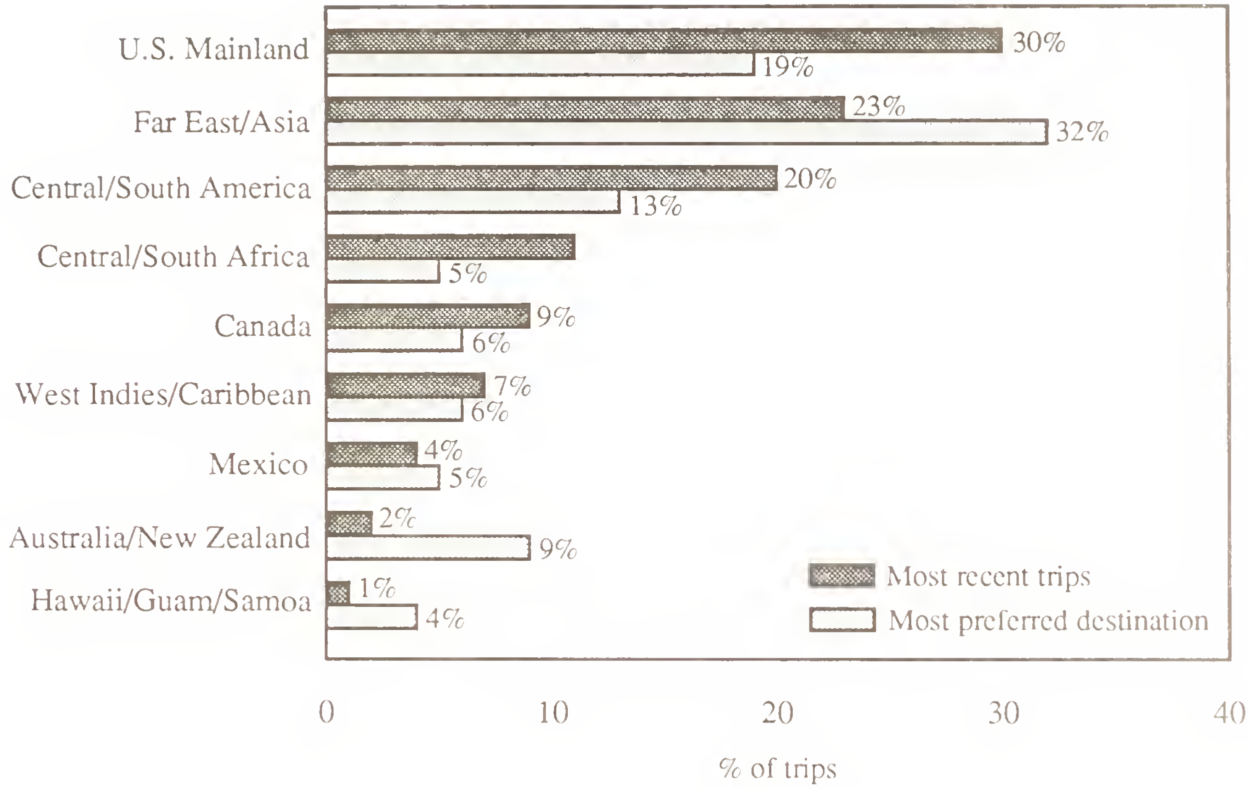
Next in line came the Far East/Asia at 23%, Central/South America at 20%, and Central/South Africa at 11%. Canada was fifth on this list at 9%. As a country, however, it would rank much higher since the comparison was mainly with multi-country destinations.

On a rank order basis, the overseas destinations which Italian travelers would most like to visit were similar to the ones they actually visited. The exceptions were Asia/South Pacific and Australia/New Zealand which were "desired" more than they were actually visited, presumably a result of their distant location from Italy.

In terms of North American destinations, the United States Mainland at 19% was second to the 32% for the Far East/Asia, while Canada came in at 6%.

CURRENT AND PREFERRED OVERSEAS TRAVEL DESTINATIONS

ITALIAN TRAVEL MARKET

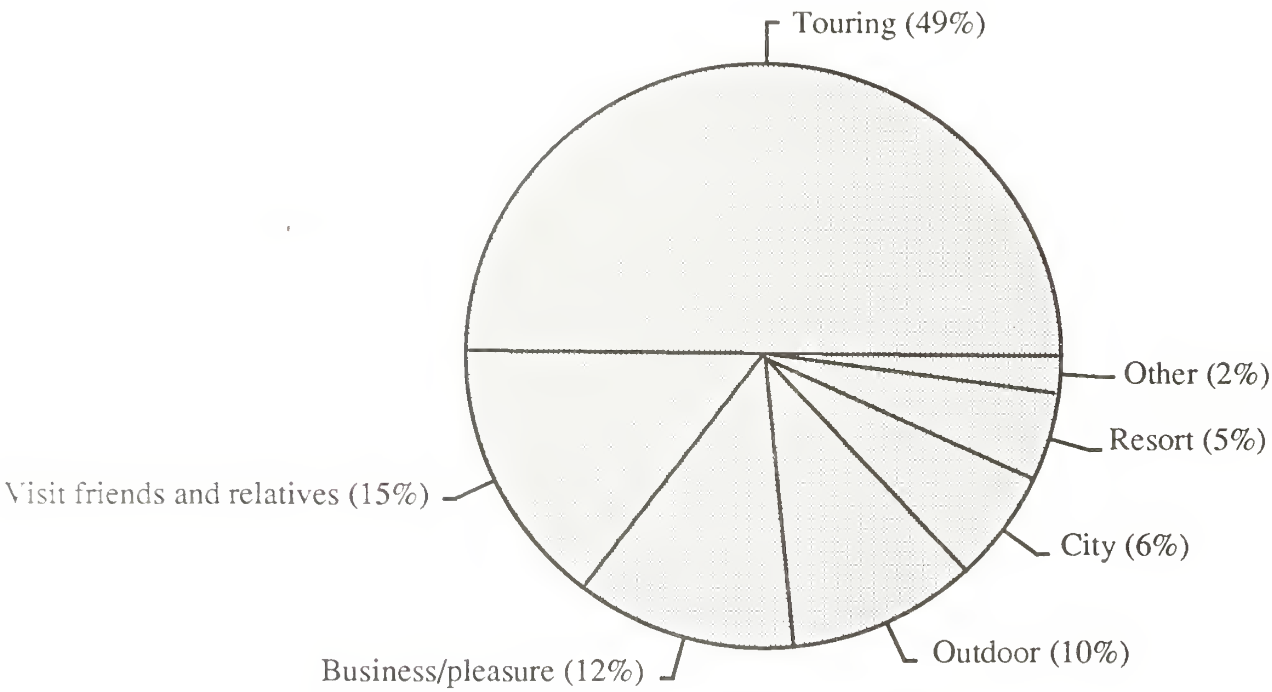


What do travelers do there?

Travelers were asked to classify their vacations according to a series of pre-defined trip types. About half of Italian pleasure trips abroad were reported to be touring trips (defined as "trips through areas of scenic beauty, cultural or general interest"). The next most popular kinds of trips were those to visit friends and relatives, combined business/pleasure trips, and outdoor trips (defined as trips "in a natural area where you actively take part in such activities as camping, hunting, fishing, hiking, or rafting").

TYPE OF TRIP TAKEN*

ITALIAN TRAVEL MARKET



* Based on two most recent long haul trips in past three years

When respondents were asked to indicate which of three dozen specific activities they took part in on their trip, many of the things they mentioned were related to touring, shopping, and dining out.

TOP 10 ACTIVITIES (RANK ORDER)

1. Dining out in restaurants
2. Taking pictures/filming
3. Sightseeing in cities
4. Shopping
5. Sampling local foods
6. Getting to know the local inhabitants
7. Visiting scenic landmarks
8. Visiting wilderness areas
9. Going on short guided excursions or tours
10. Observing wildlife or birds

An additional indication of what Italian travelers seek in a vacation destination is shown by which of 52 characteristics they rated as most and least important:

MOST DESIRED FEATURES IN AN OVERSEAS DESTINATION

	Importance*
Foreign experience	
Opportunities to increase knowledge	3.7
Culture different from my own	3.4
Interesting smaller towns and villages	3.3
Historic old cities	3.3
Nature and outdoors	
Outstanding scenery	3.6
Wilderness and nature	3.4
National parks and forests	3.3
Wide open spaces	3.3
Wildlife or birds	3.2
Comfort	
Environmental quality of air, water and soil	3.6
Hygiene and cleanliness	3.6
Personal safety	3.5
Public transportation	3.3
People	
Interesting and friendly local people	3.5
Warm welcome for tourists	3.2
Climate	
Warm, sunny climate	3.2
Reliable weather	3.2
Cost	
Inexpensive travel in destination	3.2

* Mean rating on a 4-point scale where 4 = very important and 1 = not at all important

LEAST DESIRED FEATURES IN AN OVERSEAS DESTINATION

	Importance*
Good hunting	1.5
Golf and tennis	1.6
Snow skiing	1.7
Campgrounds and trailer parks	1.8
Good fishing	1.8
Casinos and gambling	1.9
Fast food restaurants	1.9
Water sports	2.0
Spectator sporting events	2.1
First class hotels	2.1

* Mean rating on a 4-point scale where 4 = very important and 1 = not at all important

How are the United States and Canada seen as destinations?

This question addresses a number of issues underlying the development of appropriate travel products and their marketing to Italian travelers. Key are the issues of **awareness** (What specific destinations in the United States and Canada are Italian travelers aware of? Travelers are not likely to visit places they have never heard of.); **interest** (Which of these destinations do they express an interest in visiting? These are the ones that presumably hold most promise for them.); and **image** (How is each country perceived relative to others one might visit? The gaps indicate relative strengths to be seized or weaknesses to be filled in.).

With regard to levels of **awareness*** and **interest**** in visiting, the destinations that respondents were most aware of were also the ones that they would be most interested in visiting:

SPECIFIC DESTINATIONS IN NORTH AMERICA AWARE OF AND INTERESTED IN VISITING

Canada	Awareness	Interest	United States	Awareness	Interest
	%	%		%	%
Montreal	52	33	New York City	63	41
Toronto	51	30	San Francisco	28	15
Niagara Falls	46	34	Los Angeles	21	10
Vancouver	33	15	Las Vegas	11	5
Quebec City	29	16	Miami	11	5
Ottawa	23	9	Grand Canyon National Park	10	5
Calgary	11	4	Boston	10	3
Klondike National Park	11	6			

As may be seen, the most promising destinations in both Canada and the United States are large, urban centres, including several on the West Coast. This result seems to belie the "Desired Features" noted earlier from which, among other things, a strong interest in nature and the outdoors was evident. This result is probably due to the fact that it is generally difficult to associate specific destinations with the outdoors, the Grand Canyon notwithstanding.

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* Awareness was measured by asking travelers to name eight destinations to which people might go on a vacation. The first five mentions were unaided, while the remaining three mentions were aided with the use of a map. This was done separately for Canada and the United States.

** Interest was measured by asking travelers to name the three destinations they would be most interested in visiting or re-visiting. Again, this was asked separately for Canada and the United States.

In terms of image, it is evident from the accompanying perceptual maps* that the United States enjoyed a competitive advantage in terms of its national parks and forests and public transportation. Other strengths included opportunities to increase knowledge or to escape from the ordinary, outstanding scenery, unique cultural groups, and good shopping.

The main weaknesses of the United States were interesting and friendly local people, personal safety, and historical sites. Good beaches for sunning and swimming were another relatively weak area, as were budget accommodation and inexpensive restaurants.

One of Canada's leading competitive advantages over other destinations appeared to be its nature and outdoors opportunities (outstanding scenery, national parks and forests, seeing wildlife in a natural setting). Its "civility" (hygiene and cleanliness, personal safety, public transportation) also seemed to be a relative benefit.

On the other hand, beaches were a somewhat predictable weakness for Canada. Other comparatively weak areas were historic sites and buildings, and museums and art galleries.

Who are current visitors to North America?

Of particular interest to the North American travel industry are the Italian travelers who actually visited either the United States or Canada. In this section, a few highlights about these visitors are summarized with respect to who they were and what they did while on vacation.

In terms of demographics, compared with travelers to other destinations, travelers to Canada and the U.S. were more likely to be:

- young (18 - 24 years)
- single
- a student
- high school educated
- living in a household without children

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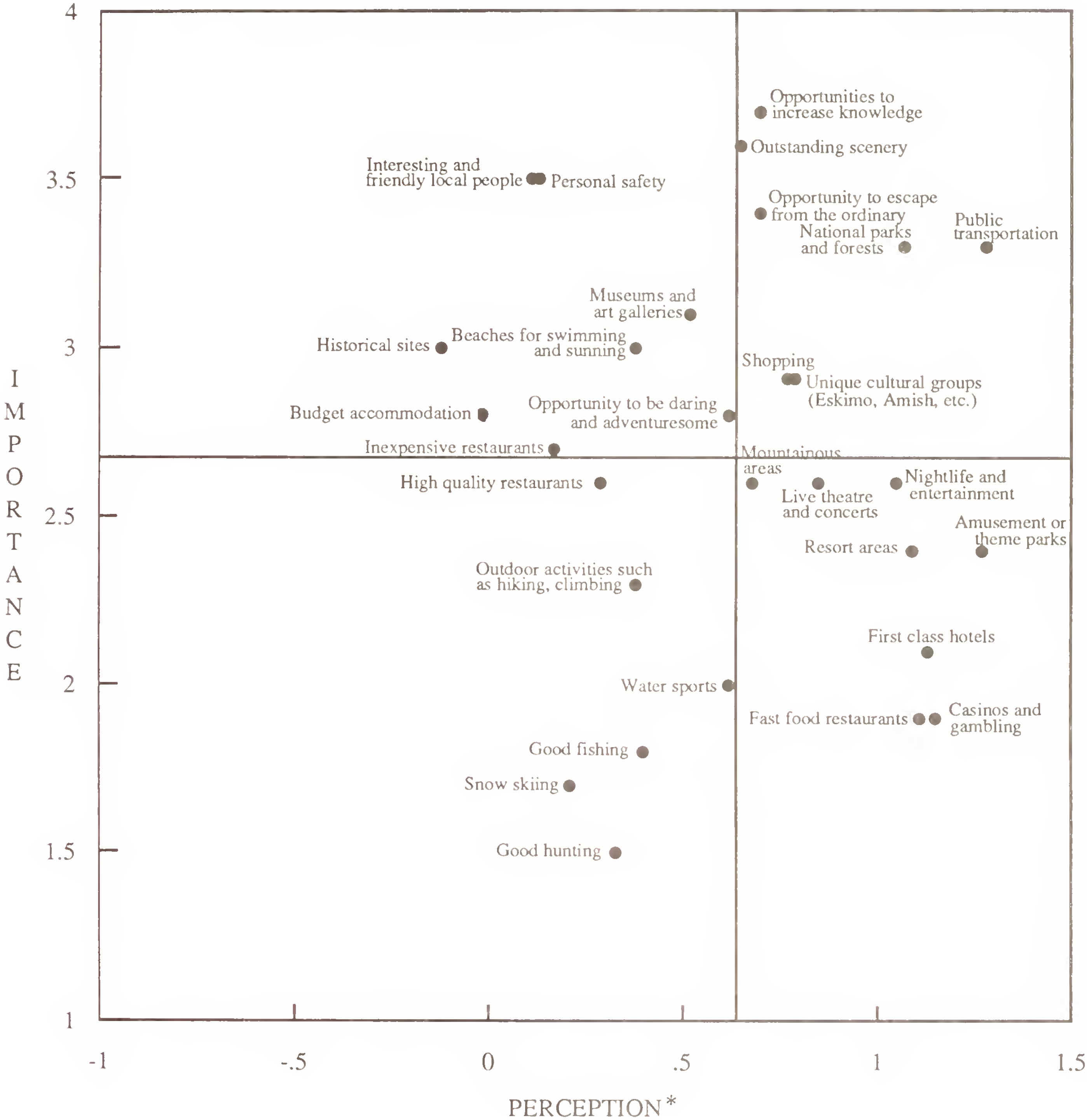
* The maps plot perceptions of the United States and Canada on various attributes vs. the importance of those attributes. Areas of greatest strength are those in which the combination of importance and perception is relatively high (the upper right quadrant). Areas of greatest weakness are those of high importance in which perceptions are relatively low (the upper left quadrant).

ATTRIBUTE IMPORTANCE VS. PERCEPTION - U.S.

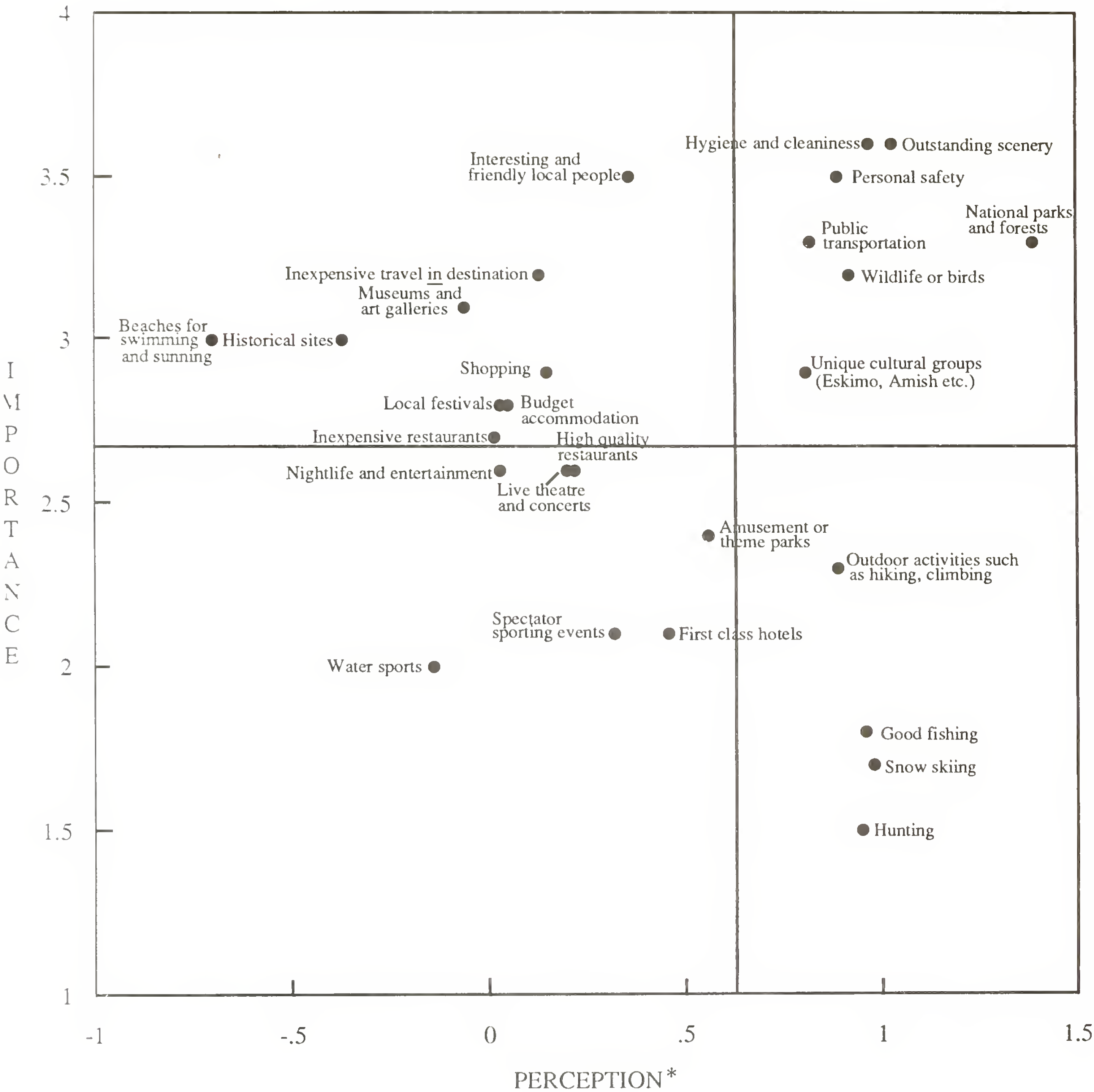
ITALIAN TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

ATTRIBUTE IMPORTANCE VS. PERCEPTION - CANADA

ITALIAN TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

Regarding the types of trips taken, trips to visit friends and relatives accounted for proportionately more of the trips to Canada (36%) and the U.S. (26%) than of trips to other destinations (9%). The top 10 activities were basically similar in North America to what they were in the rest of the world. Beyond this, however, it was evident that visitors to Canada and the U.S. took particular advantage of galleries and museums, amusement and theme parks, local festivals, fairs and special events. In addition, visitors to Canada were disproportionately likely to visit national parks and forests, and tour the countryside. Visitors to the U.S. were disproportionately likely to visit casinos and gamble, and to visit places of importance in military history.

The favourite North American destinations visited by Italian travelers in the past 3 years were mostly in the east:

NORTH AMERICAN DESTINATIONS VISITED IN PAST 3 YEARS

Canada

	Visitors %
Ontario	(80)
Toronto	49
Niagara Falls	46
Ottawa	9
Quebec	(49)
Montreal	34
Quebec City	9
British Columbia	(17)
Vancouver	14

United States

	Visitors %
New York	(68)
New York City	57
California	(44)
San Francisco	19
Los Angeles	11
Florida	(23)
Miami	5
Arizona	(11)
Grand Canyon National Park	5
Nevada	(11)
Las Vegas	7

How else is the market segmented?

Analyzing actual visitors to Canada and the United States is just one way the present results may be used to provide guidance in the areas of product development and promotion. Additional information for targeting to specific groups of travelers is provided by segmenting the total market on the bàsis of their particular wants and needs in regard to travel. Because each segment has a different set of travel priorities, an appropriate product/marketing mix can be developed to satisfy each one. In this way, limited resources can best be directed towards segments with high potential, thus increasing the overall efficiency of marketing activity.

The Italian travel market was segmented from three different perspectives:

1. **Travel philosophy** segmentation which examined the basic orientation towards travel and the way in which people liked to travel;

2. **Benefit segmentation** which examined the motivation for traveling and the kind of travel experiences people were looking for;

3. **Product segmentation** which examined the choice of particular features in a travel destination, and the kinds of facilities/activities/services most desired while on vacation.

These three kinds of segmentation complement each other, and give marketers in different sectors of the tourism and hospitality industry alternative perspectives from which to approach the Italian market. The approach depends on their purposes and the problems they face. Just as it may be useful to group furniture sometimes by location (bedroom, kitchen, patio), sometimes by function (chair, table, lamp), and sometimes by material (wood, metal, glass), sometimes it is useful to group travelers by their basic philosophy towards travel, sometimes by the broader benefits they seek, and sometimes by particular travel features desired in a destination. These three perspectives of the travel market, along with the data available on demographics and media habits, provide a number of different descriptions adding up to a revealing overall picture of the market.

Travel philosophy segmentation resulted in identifying four groups of Italian travelers:

- **Budget Package** travelers (20% of the total market) like package vacations and guided tours, and to have their travel arrangements made before leaving. Inexpensive travel is important to them and they prefer to travel on reduced fares.

- **Premium Package** travelers (21% of the total market) also like package vacations and guided tours, but are willing to pay for luxuries without being concerned about reduced fares. The peace of mind of a package tour appears to be an important benefit to this group.

- **Budget Independent** travelers (35% of the total market) enjoy making their own travel arrangements, stay away from package vacations, and like to travel from place to place rather than stay put. They are very price conscious. Inexpensive travel and reduced air fares are important considerations to them.

- **Guarded** travelers (25% of the total market) are less enthusiastic in their approach to travel. When they do travel they prefer familiar destinations and to stay put on a vacation rather than to travel from place to place.

Benefit segmentation resulted in the following four groups:

- **Action** travelers (29% of the total market) are mostly interested in sports and physical activity, but also in being daring and adventuresome, and/or finding thrills and excitement.

- **Social Safety** travelers (21% of the total market) vacation for social reasons and to be with family and friends, and prefer destinations where they feel safe and secure.

- **Experiential** travelers (29% of the total market) are stimulated by the different experiences offered by vacation travel. These experiences might relate to either the physical or lifestyle features of a destination.

- **Luxury** travelers (21% of the total market) want to indulge in luxury and do nothing at all. Part of their motivation seems to be status driven.

Finally, five product segments were identified as follows:

- **Sports and Entertainment** travelers (24% of the total market) are interested in both sports activities (water sports, golf, tennis, camping, snow skiing, fishing) as well as a number of entertainment related items (spectator sporting events, nightlife and entertainment, amusement and theme parks, casinos and gambling).

- **High Roller** travelers (17% of the total market) are also interested in nightlife and entertainment, and casinos and gambling. Rather than being interested in sports, however, they are more interested in luxury spending items such as first class hotels, high quality restaurants, and shopping.

- **Nature and Culture** travelers (18% of the total market) are mainly interested in nature and the outdoors (hiking, climbing, mountainous areas, national parks and forests), but also have an interest in unique cultural groups and cultures different from their own. They also enjoy historical sites and museums and art galleries.

- **Rural Beach** travelers (16% of the total market) are looking for beaches, seaside, and warm sunny weather. They place little importance on entertainment and sports facilities, and prefer wide open spaces away from big cities.

- **Culture** travelers (24% of the total market) want to see such features as historical sites, museums and art galleries, historic old cities, and live theatre and concerts. At the same time they prefer first class hotels and destinations with high standards of hygiene and cleanliness, and personal safety.

In the same way that a complete description of the furniture can be obtained by combining segments (wood, kitchen, chair), so too can the three types of travel segmentation be combined. For example, further insight into the product segments is obtained by profiling them with respect to the travel philosophy and benefit segments, as follows:

HOW ITALIAN TRAVEL SEGMENTS ARE RELATED

Product	*Travel Philosophy*	*Benefit*
Sports and Entertainment:	Guarded	Action
High Roller:	Premium Package	Luxury
Nature and Culture:	Budget Independent	Experiential
Rural Beach:	Budget Independent	Experiential
Culture:	No particular segment	Luxury

To illustrate the value of these various segments, consider the following implications that result from their use.

One potentially strong market that may be influenced by promotional activities is the Action group (a benefit segment). This group has the highest level of existing travel to the

United States, and a higher than average level of travel to Canada. Because of their interest in sports and physical activities and their need for adventure and excitement, it would be expected that an increased awareness of North America's outdoor and sports opportunities, such as skiing, mountain climbing and white water rafting, would draw more of this group to the U.S. and Canada. Not surprisingly, this group contains a disproportionate number of Sports and Entertainment travelers. This is a predominantly young, male group which should be relatively easy to target through the media.

Travelers in the **Nature and Culture** product group are predominantly in the Experiential benefit segment. Compared with the average traveler, they are less likely to have visited North American destinations, even though both the U.S. and Canada have a lot to offer them in the way of nature and the outdoors. They are also predominantly Budget Independent travelers. By persuading these travelers that both Canada and the U.S. are relatively inexpensive travel destinations offering good value for money, North America should be of high interest to this group.

The **Culture** segment tends to be older and female and, as such, prefers travel that is safe and well-organized in the form of all-inclusive guided tours. Even though North America can offer the cultural features (historical sites, museums, art galleries, theatre and concerts) that they seek, they are no more likely than average to have traveled to the U.S., and only slightly more likely than average to have traveled to Canada. Improvements in package travel and guided tours appear to be necessary to attract more of this segment.

High Rollers are looking for destinations with highly developed entertainment and hospitality facilities. These may be found in either big cities or highly developed resorts. As Luxury travelers they are willing to pay for quality and first class facilities. Although they are no more likely than average to have expressed interest in visiting Canada and the U.S. as countries, they were more likely than average to be interested in visiting the cities of Toronto, Montreal and New York City. This suggests that these and other big cities in North America have the potential to draw more of these travelers. Their Premium Package orientation suggests that promoting first class package travel would be one way to achieve this potential.

How can travelers be reached through the print media?

In order to assist in the targeting of potential future communications to travelers, basic readership information was obtained for a variety of print media.

Almost all travelers regularly read a daily newspaper - only 9% did not. The most popular **daily newspapers** overall were La Republic (46% readership among Italian long haul travelers) and Corriere Della Sera (29%).

The most popular publications in other categories were as follows:

Newspaper Supplements:	Il Venerdi (42%) 7 (19%) Do not read newspaper supplements (44%)
Weekly periodicals and magazines:	Panorama (34%) L'Espresso (29%) Do not read weekly periodicals or magazines (20%)
Monthly magazines:	Gente Viaggi (22%) Airone (18%) Gente Motori (16%) Do not read monthly magazines (32%)

AUSTRALIA

The data base for Australia covers just as broad a range of marketing issues as that summarized for Italy. Because no summary can do justice to all the purposes these data serve, the highlights offered below are meant to sketch a brief portrait of the Australian travel market, which the reader's own exploration of the data can either expand upon or fill in with finer detail depending on the needs to be met. These data can be found in the detailed country report available under separate cover.

A typical trip

Australian long haul vacation trips lasted a very generous 52 nights on average. Perhaps as a result, trips were taken throughout the year; summer (i.e. winter in Australia), the most popular season, accounted for only 31% of all trips. Trips were more or less evenly split between independent trips and those that involved some element of package travel.

About two-thirds of travel parties consisted of only one or two people, with spouses and boy/girl friends the most likely travel partners.

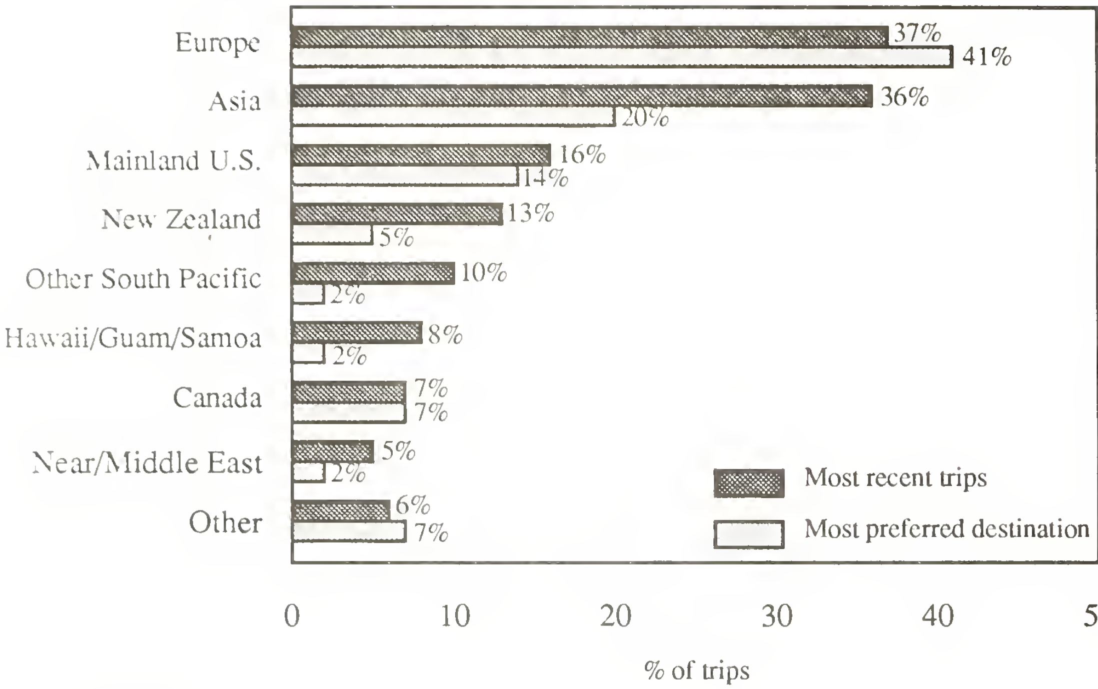
The destination of the trip was decided an average of 25 weeks before departure, although the actual booking was done an average of only 13 weeks before departure. The booking was typically done with a travel agent, who was also likely to be a principal source of planning information.

Current and preferred destination

The most popular long haul destinations outside of Australia were Europe (visited on 37% of trips), and Asia excluding the South Pacific (36%). Levels of travel to the United States and Canada were lower than this (16% for the mainland U.S., 8% for Hawaii/Guam/Samoa, and 7% for Canada), but were generally consistent with their reported levels as most preferred destinations (14%, 2%, and 7% respectively).

CURRENT AND PREFERRED OVERSEAS TRAVEL DESTINATIONS

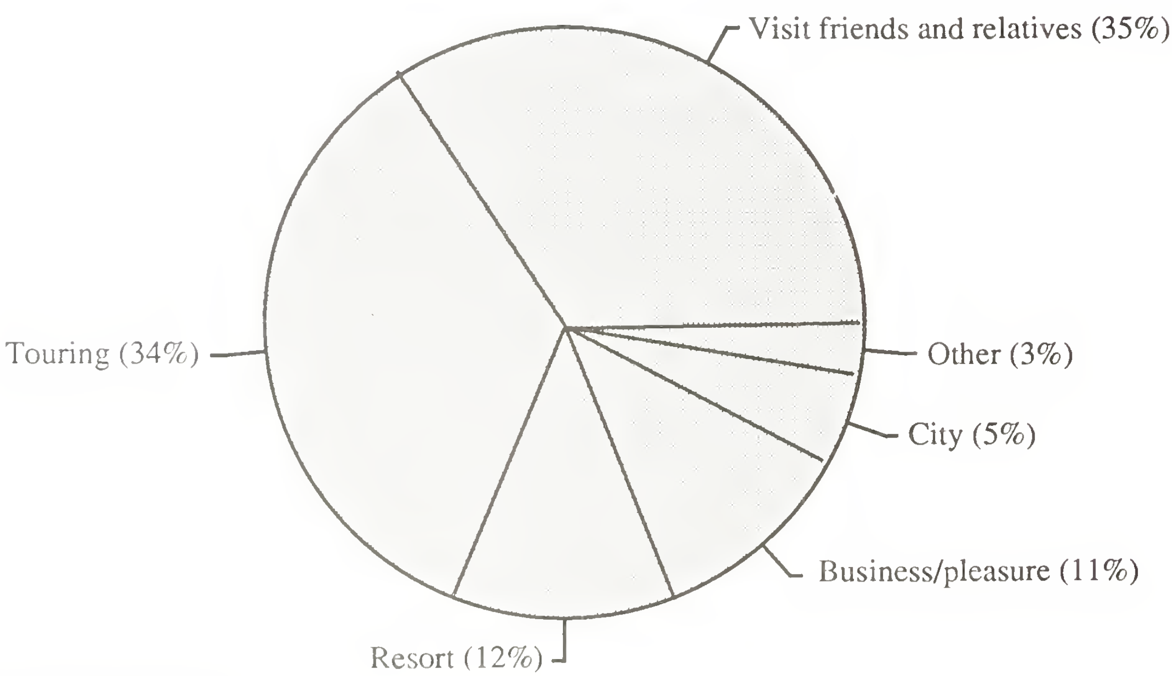
AUSTRALIA TRAVEL MARKET



Activities

The main types of trips taken were trips to visit friends and relatives and touring trips:

TYPE OF TRIP TAKEN*



*Based on two most recent long haul trips in past three years

The main activities were shopping, dining out, plus a number of other activities largely reflecting the touring orientation of the trips taken:

TOP 10 ACTIVITIES (RANK ORDER)

1. Shopping
2. Dining out in restaurants
3. Taking pictures/filming
4. Sightseeing in cities
5. Sampling local foods
6. Touring the countryside
7. Visiting scenic landmarks
8. Visiting places of historic interest
9. Getting to know the local inhabitants
10. Visiting the seaside

Desired features in a destination

What is important to Australian long haul travelers is shown by the features they rated as most and least important. In addition to touring and sightseeing opportunities (nature and outdoors, foreign experience), comfort and climate also emerged as most important features:

MOST DESIRED FEATURES IN AN OVERSEAS DESTINATION

	Importance*
Comfort	
Personal safety	3.6
Hygiene and cleanliness	3.5
Public transportation	3.4
Environmental quality of air, water, soil	3.0
People	
Interesting and friendly local people	3.6
Warm welcome for tourists	3.3
Nature and outdoors	
Outstanding scenery	3.5
Wilderness and nature	3.0
National parks and forests	3.0
Wildlife or birds	3.0
Lakes and rivers	3.0

* Mean rating on 4-point scale where 4 = very important and 1 = not at all important

Foreign experience	
Opportunities to increase knowledge	3.4
Interesting smaller towns and villages	3.3
Culture different from my own	3.2
Local cuisine	3.2
Historic old cities	3.1
Cost	
Inexpensive travel in destination	3.3
Inexpensive restaurants	3.1
Budget accommodation	3.0
Climate	
Warm, sunny climate	3.2
Reliable weather	3.2
Miscellaneous	
Manageable size to see	3.0
Good shopping	3.0

LEAST DESIRED FEATURES IN AN OVERSEAS DESTINATION*

Good hunting	1.5
Snow skiing	1.7
Golf and tennis	1.8
Good fishing	1.8
Casinos and gambling	1.8
Campgrounds and trailer parks	1.9
Spectator sporting events	2.0
Water sports	2.0
Fast food restaurants	2.1

* Mean rating on 4-point scale where 4 = very important and 1 = not at all important.

The image of Canada and the United States

Australian travelers showed a high level of awareness of vacation destinations in Canada and the United States:

Canada	**Awareness***	**Interest***	**United States**	**Awareness***	**Interest***
	%	%		%	%
Vancouver	61	35	New York City	69	38
Montreal	53	27	Disneyland	46	22
Quebec City	46	21	Los Angeles	41	18
Toronto	37	16	San Francisco	41	18
Niagara Falls	45	27	Grand Canyon National Park	34	17
Calgary	36	15	Las Vegas	20	5
Rocky Mountains	22	13	New Orleans	19	10
Banff National Park	20	13	Yellowstone National Park	16	6
Great Lakes	15	6			
Ottawa	17	4			

As shown in the accompanying perceptual map**, the United States did well against other overseas destinations on a variety of dimensions, but had particular competitive advantages in terms of the outdoors (outstanding scenery, national parks and forests), and public transportation. The main shortcoming of the United States was personal safety.

By contrast, Canada did very well in terms of personal safety, along with hygiene and cleanliness. As with the U.S., Canada was also highly regarded for its outdoors (outstanding scenery, national parks and forests, and wildlife or birds).

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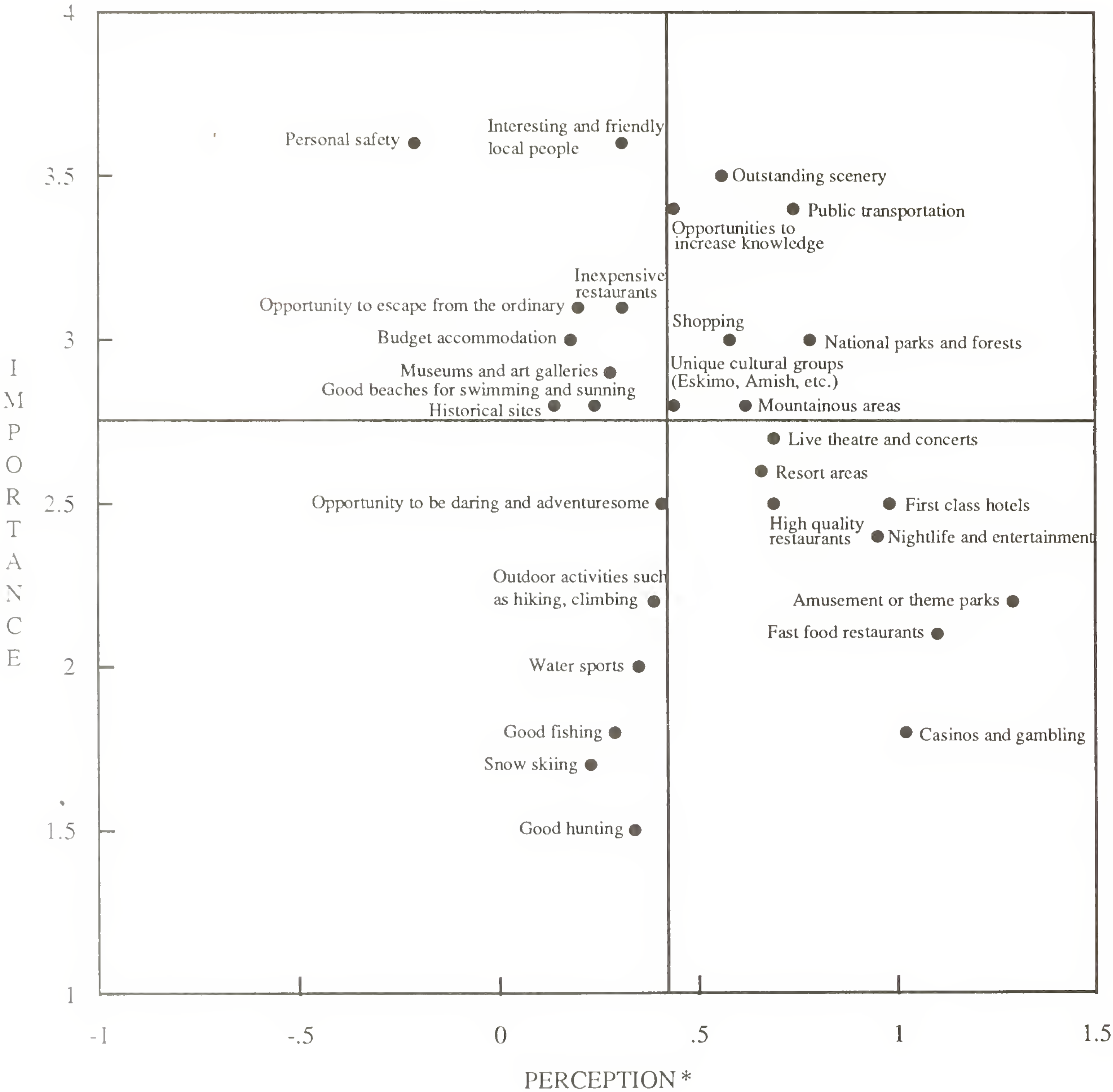
* Awareness was measured by asking travelers to name eight destinations to which people might go on a vacation. The first five mentions were unaided, while the remaining three mentions were aided with the use of a map. This was done separately for Canada and the United States.

Interest was measured by asking travelers to name the three destinations they would be most interested in visiting or re-visiting. Again, this was asked separately for Canada and the United States.

** The maps plot perceptions of the United States and Canada on various attributes vs. the importance of those attributes. Areas of greatest strength are those in which the combination of importance and perception is relatively high (the upper right quadrant). Areas of greatest weakness are those of high importance in which perceptions are relatively low (the upper left quadrant).

ATTRIBUTE IMPORTANCE VS. PERCEPTION - U.S.

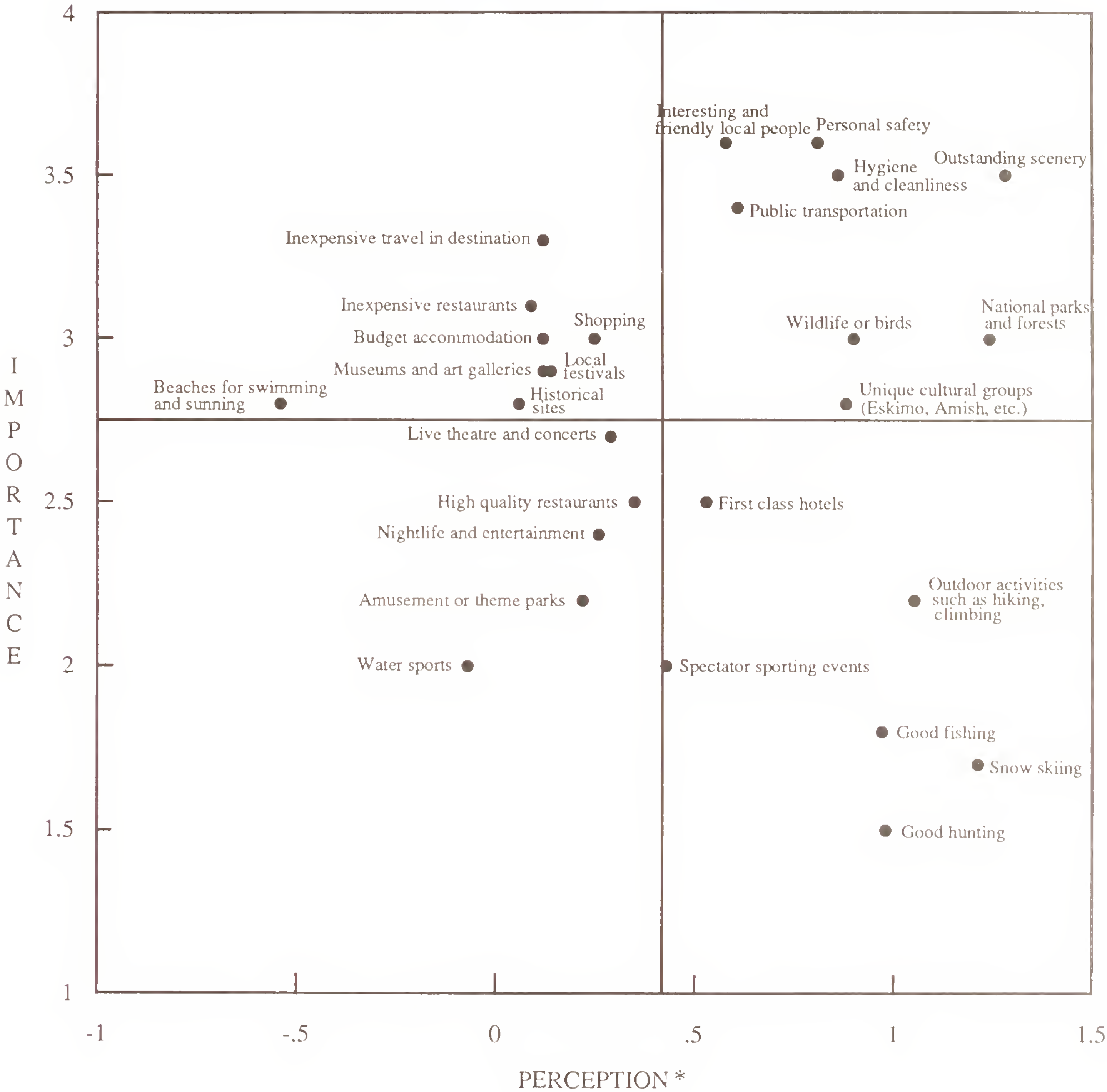
AUSTRALIAN TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

ATTRIBUTE IMPORTANCE VS. PERCEPTION - CANADA

AUSTRALIAN TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

Current visitors to North America from Australia

In terms of demographics, visitors to the United States and Canada were very similar to long haul travelers in general. Given this lack of differentiation demographically, the attitudinal segmentation becomes of particular importance in targeting the market.

Similar to trips to other destinations, trips to Canada and the U.S. were mostly VFR and touring trips. VFR trips, however, were more frequent to Canada and less frequent to Hawaii/Guam/Samoa.

While the top 10 vacation activities in Canada and the United States were generally no different than those in other destinations, several of the activities further down the list confirm the scenery and outdoors opportunities in Canada, the entertainment and sightseeing opportunities in the mainland U.S., and the seaside and entertainment activities in Hawaii/Guam/Samoa.

Among actual visitors in the past three years, the following are the specific destinations visited:

NORTH AMERICAN DESTINATIONS VISITED IN PAST 3 YEARS

Canada

	Visitors %
British Columbia	(75)
Vancouver	63
Rocky Mountains	18
Vancouver Island	17
Alberta	(51)
Banff National Park	33
Calgary	30
Jasper National Park	18
Ontario	(49)
Toronto	30
Niagara Falls	27
Quebec	(25)
Montreal	17
Quebec City	12

Mainland United States

	Visitors %
California	(85)
Los Angeles	43
San Francisco	37
Disneyland	26
New York	(41)
New York City	34
Hawaii	(25)
Nevada	(21)
Las Vegas	16
Arizona	(17)
Grand Canyon National Park	12

Other Australian market segments

To assist in developing an appropriate product/marketing mix for different groups of travelers, the Australian travel market was divided into segments using the same rationale as described earlier for the Italian travel market. Three perspectives were used to segment the market - travel philosophy, benefit, and product features. Some of the resulting segments are similar to those in Italy and may bear the same label, but their descriptions should be examined in their own right to avoid confusion between the two sets of results. Even when the descriptions are similar, however, it should be noted that the groups might still be different in terms of demographics and/or other respects.

Specifically, three **travel philosophy** segments were identified in Australia as follows:

- **Budget Independent** travelers (35% of the total market) prefer to make their own travel arrangements rather than use packages, and are very cost conscious.

- **Touring Package** travelers (33% of the total market) express a preference for traveling on package vacations and guided tours. They seem to like packages because they are a good way to see many different places on a given trip.

- **Guarded** travelers (32% of the total market) are less enthusiastic travelers, and tend to choose familiar destinations and stay put when they get there.

Three **benefit** segments were also identified:

- **Action Getaway** travelers (33% of the total market) are looking for sports and physical activity to find thrills, excitement and adventure, partly to get a change from a busy job.

- **Social Safety** travelers (33% of the total market) are more interested in being with family and friends in safe and secure destinations than they are in more travel related benefits.

- **Experiential** travelers (34% of the total market) enjoy the experiences offered by travel, whether it be new foods, new lifestyles, or just being in a foreign destination.

Finally, four **product** segments were identified:

- **Developed Resort** travelers (21% of the total market) want well developed entertainment and hospitality facilities in warm weather resort destinations.

- **Culture** travelers (29% of the total market) have an interest in historical attractions, and museums and art galleries.

- **Nature and Culture** travelers (20% of the total market) are mainly interested in nature and the outdoors, but are also interested in different cultures as well as historic sites and museums.

- **Sports and Entertainment** travelers (30% of the total market) like to participate in a variety of sports (water sports, snow skiing, fishing, hunting, golf, tennis) and also enjoy entertainment related activities (spectator sporting events, nightlife and entertainment, casinos and gambling, amusement and theme parks).

Further insight into these product segments is provided by profiling them with respect to travel philosophy and benefits:

Product	***Travel Philosophy***	***Benefit***
Developed Resort:	Touring Package Guarded	No particular segment
Culture:	Touring Package	Social Safety Experiential
Nature and Culture:	Budget Independent	Experiential
Sports and Entertainment:	Guarded	Action Getaway

To illustrate the uses of the various segments, consider the following implications:

Action Getaway travelers were the benefit group that expressed the most interest in visiting the mainland U.S., and they should therefore be regarded as a promising segment. Accordingly, North America should be positioned as a location where it is possible to find the sports and physical activities, and the opportunities to be daring and adventuresome, that these respondents are looking for. Given this group's willingness to "rough it", the ample wilderness and outdoors opportunities in both Canada and the U.S. (ranging from sightseeing and scenery to white water rafting and mountain climbing) would be well suited to their needs. Not surprisingly this group tends to be male and younger.

The **Developed Resort** product segment would be more of a target for the U.S. than Canada. Travelers in this segment express greater than average interest in destinations such as Hawaii, California, Florida, Nevada. It is therefore evident that a number of destinations in the U.S. would be able to provide the entertainment, sunshine and tourist facilities that are of most interest to this group. As they include many Touring Package travelers, this product segment is one that should be kept in mind when tailoring package travel to meet specific needs.

The abundant natural and outdoor opportunities of Canada and the U.S. would be of direct interest to the **Nature and Culture** product segment. In a number of cases there would also be a cross appeal with the culture side of this group e.g. Wild West, Gold Rush, etc. As Experiential travelers, people in this group are more interested in seeing and discovering a destination than they are in the facilities they find there. As Budget Independent travelers, it is enough to motivate them to see Canada and the U.S., and they will then find their own way over without further help. This group is a young and well educated one.

Print media readership

In terms of reaching Australian travelers, the following represent the most popular publications that they read on a regular basis:

Daily newspapers:	Sydney Morning Herald (21%) The Age (16%) The Sun (15%) Daily Telegraph (13%)
	Do not read daily newspapers (17%)
Sunday newspapers:	Sun-Herald (22%) Sunday Telegraph (18%)
	Do not read Sunday newspapers (33%)
Weekly periodicals and magazines:	New Idea (26%) TV Week (22%) Woman's Day (18%)
	Do not read weekly periodicals and magazines (41%)
Monthly magazines:	Australian Women's Weekly (26%) Reader's Digest (15%)
	Do not read monthly magazines (46%)

BRAZIL

The same wealth of data seen for both Italy and Australia is available for Brazil as well.

A typical trip

Most (68%) of the long haul trips taken by Brazilian travelers were independent in the sense that they did not involve any package travel. The period from June to September was a popular period to travel as it accounted for 57% of all departures. The average trip lasted a total of 41 nights away from home.

Travel parties tended to be small as nearly two-thirds of long haul pleasure travelers went either by themselves or with only one travel partner. Spouses and girl/boy friends were the most popular traveling partners, with children rarely included on overseas vacations.

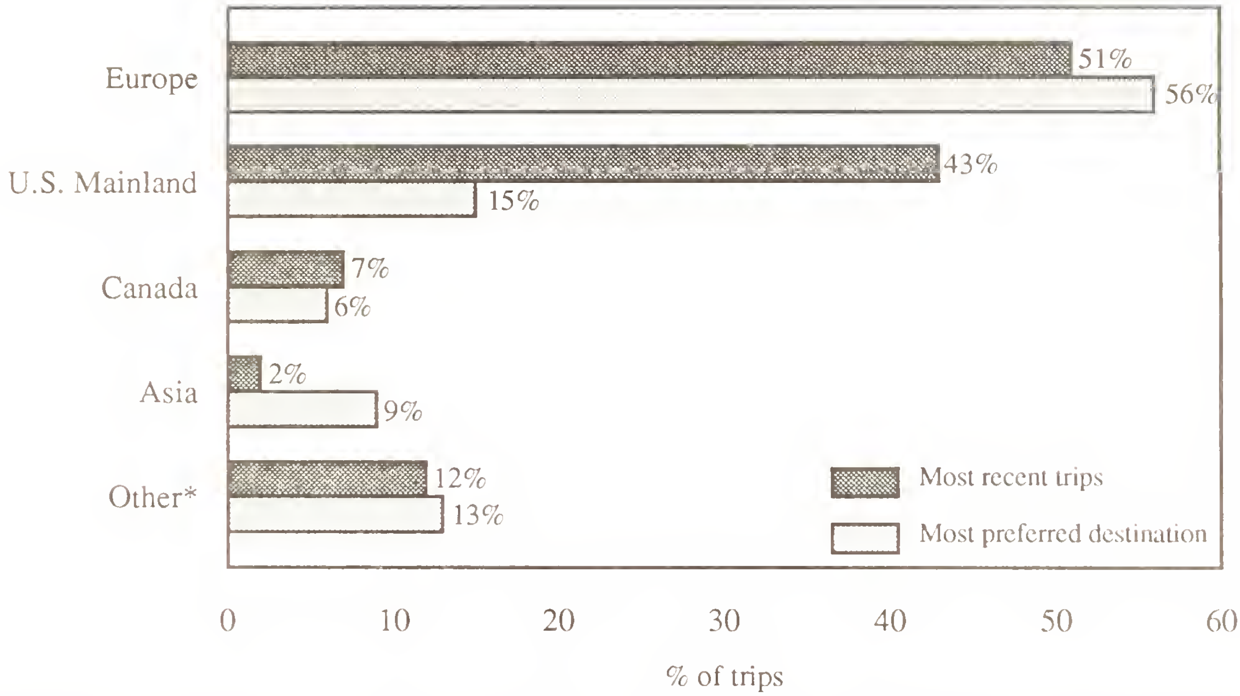
Trip destinations were decided an average of 14 1/2 weeks in advance, while bookings were done an average of nearly 6 weeks before departure. While travel agents were frequently used to book vacations, the proportion involved (77%) was generally lower than has been observed in other countries. In addition, travel agents were not nearly as important as friends and family as a source of planning information, and were only slightly ahead of tour operators/companies in this regard.

Current and preferred destinations

Europe and the mainland United States accounted for almost all of the overseas travel from Brazil. Canada was a relatively infrequent destination, but this also reflected its low level of mention as a most preferred destination. The United States mainland was actually visited much more frequently than it was named as a most preferred destination.

CURRENT AND PREFERRED OVERSEAS TRAVEL DESTINATIONS

BRAZIL TRAVEL MARKET

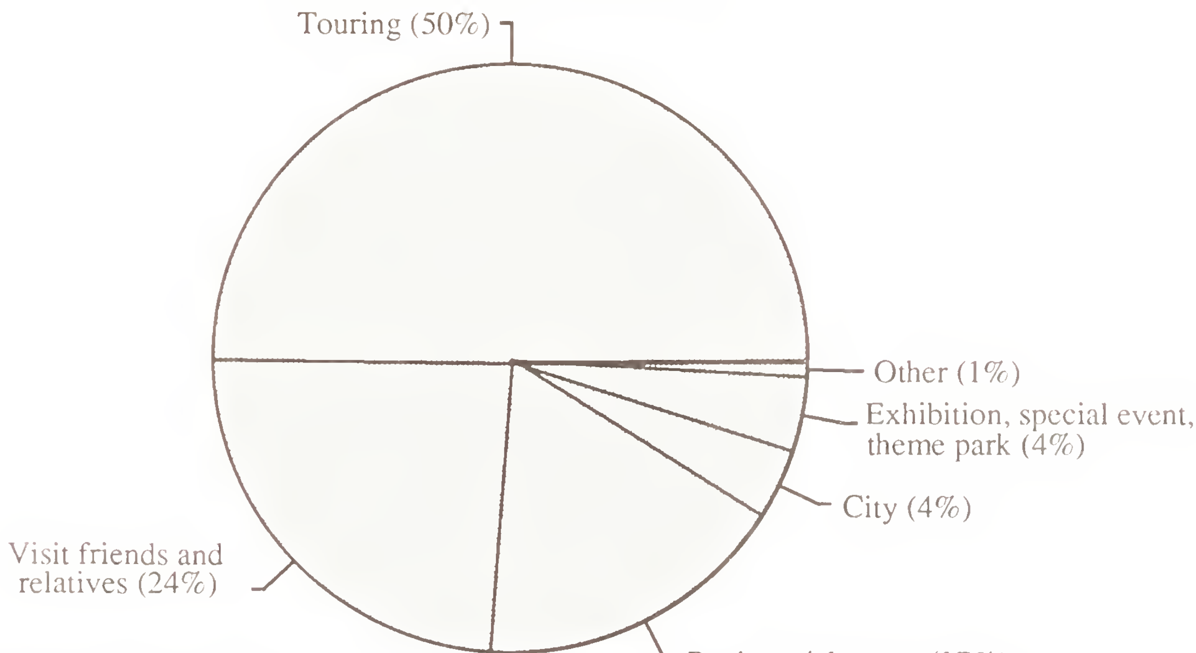


* Includes Mexico, Central America, West Indies/Caribbean, Near/Middle East, Africa, Australia/New Zealand, Hawaii/Guam/Samoa, and other South Pacific.

Activities

One half of Brazilian travellers described their trips as touring trips:

TYPE OF TRIP TAKEN*



* Based on two most recent long haul trips in past three years

In addition to shopping and eating, most of the things they mentioned doing could be said to relate to a touring type trip:

TOP 10 ACTIVITIES (RANK ORDER)

1. Shopping
2. Dining out in restaurants
3. Taking pictures/filming
4. Sightseeing in cities
5. Sampling local foods
6. Contacting the local inhabitants
7. Visiting galleries/museums
8. Visiting places of historic interest
9. Visiting scenic landmarks
10. Touring the countryside

Desired features in a destination

Consistent with the variety of things they do, Brazilian travelers rated a variety of destination characteristics as important to them:

MOST DESIRED FEATURES IN AN OVERSEAS DESTINATION

	Importance*
Foreign Experience	
Opportunities to increase knowledge	3.7
Culture different from my own	3.4
Historic old cities	3.3
Local cuisine	3.2
Comfort	
Hygiene and cleanliness	3.7
Environmental quality of air, water, soil	3.6
Personal safety	3.6
Public transportation	3.5
Scenery	
Outstanding scenery	3.6
Wide open spaces	3.3
Lakes and rivers	3.3
National parks and forests	3.2
People	
Interesting and friendly local people	3.6
Warm welcome for tourists	3.6

* Mean rating on a 4-point scale where 4 = very important and 1 = not at all important.

Climate	
Reliable weather	3.2
Warm, sunny climate	3.2
Miscellaneous	
Inexpensive travel in destination	3.3
Museums and art galleries	3.3
Variety of short guided tours	3.2
Local crafts	3.2
Good shopping	3.2

LEAST DESIRED FEATURES IN AN OVERSEAS DESTINATION

	Importance*
Good hunting	2.0
Golf and tennis	2.0
Good fishing	2.2
Casinos and gambling	2.2
Snow skiing	2.3
Campgrounds and trailer parks	2.3
Water sports	2.4
First class hotels	2.6

* Mean rating on a 4-point scale where 4 = very important and 1 = not at all important.

The image of Canada and the United States

There is a need to increase awareness and interest levels of Canadian travel destinations in the minds of Brazilian travelers. In terms of awareness, only 64% of travelers were able to name a specific vacation destination within Canada on an unaided basis. In comparison, 93% could name one in the United States. After being aided, however, virtually all respondents could name destinations in both countries. The most frequent mentions were as follows:

	Canada Awareness*	Canada Interest*		United States Awareness*	United States Interest*
	%	%		%	%
Montreal	74	64	New York City	71	50
Quebec City	66	51	Miami	49	25
Toronto	52	37	Los Angeles	34	16
Ottawa	34	17	San Francisco	30	16
Vancouver	27	13	Orlando	18	7
Niagara Falls	25	14	Las Vegas	18	8

In terms of image, the United States is relatively strong in several of the areas identified earlier as being important to the Brazilian pleasure traveler. As shown in the accompanying perceptual maps**, the United States' chief competitive advantage appears to be its opportunities to increase knowledge and escape from the ordinary, and its public transportation. It also offers a combination of good shopping, fast food restaurants, and national parks and forests. At the same time, it needs to improve its image in terms of interesting and friendly local people. Personal safety was a borderline strength, unlike most other countries surveyed which found it to be a major weakness in their perceptions of the United States.

Canada was evidently viewed as a very "civilized" country to visit since its major strengths included hygiene and cleanliness, personal safety, public transportation, and interesting and friendly local people. Canada was also well regarded for its outdoor attributes (outstanding scenery, national parks etc.). No strong weaknesses were apparent.

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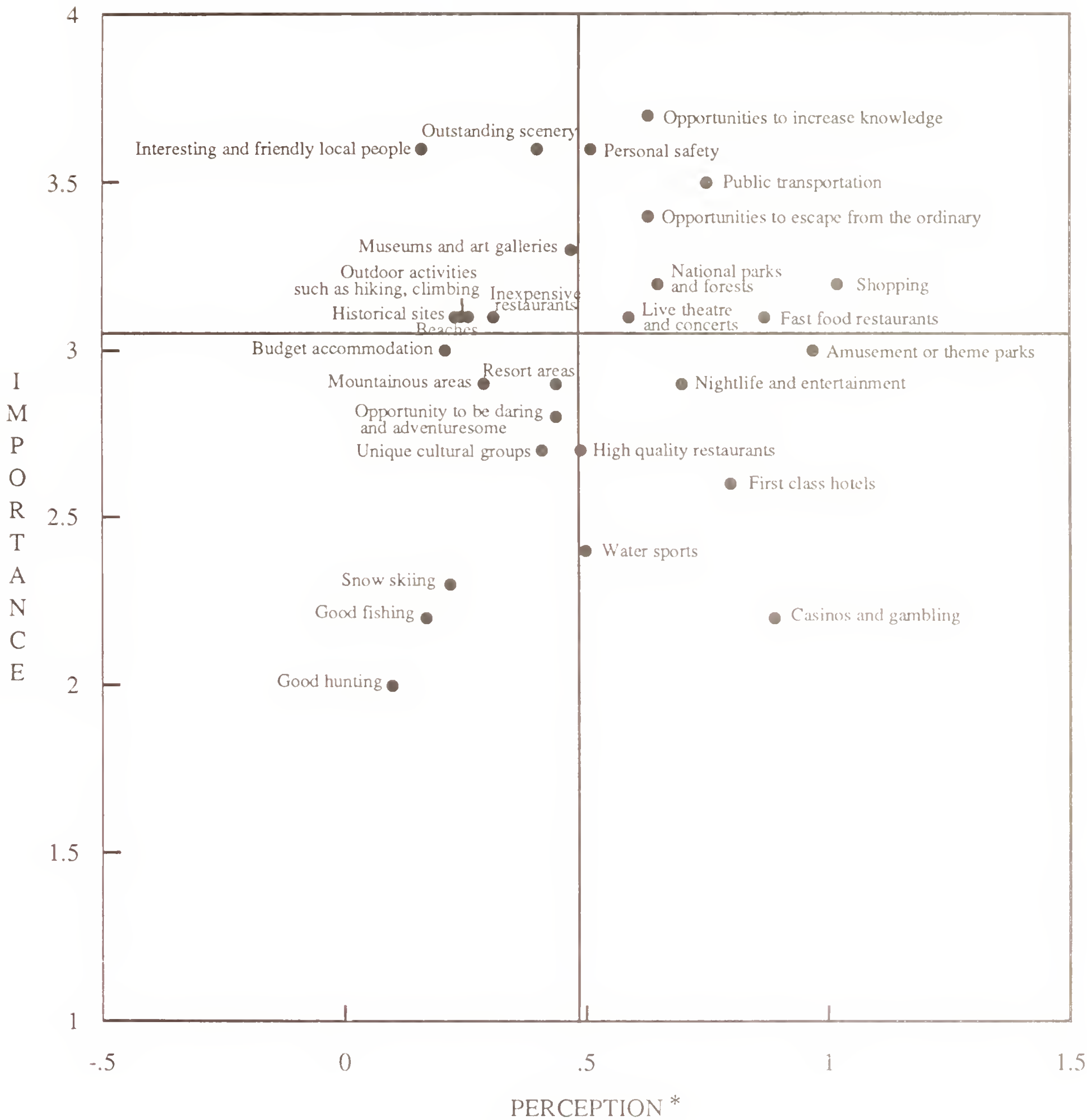
* Awareness was measured by asking travelers to name eight destinations to which people might go on a vacation. The first five mentions were unaided, while the remaining three mentions were aided with the use of a map. This was done separately for Canada and the United States.

Interest was measured by asking travelers to name the three destinations they would be most interested in visiting or re-visiting. Again, this was asked separately for Canada and the United States.

** The maps plot perceptions of the United States and Canada on various attributes vs. the importance of those attributes. Areas of greatest strength are those in which the combination of importance and perception is relatively high (the upper right quadrant). Areas of greatest weakness are those of high importance in which perceptions are relatively low (the upper left quadrant).

ATTRIBUTE IMPORTANCE VS. PERCEPTION - U.S.

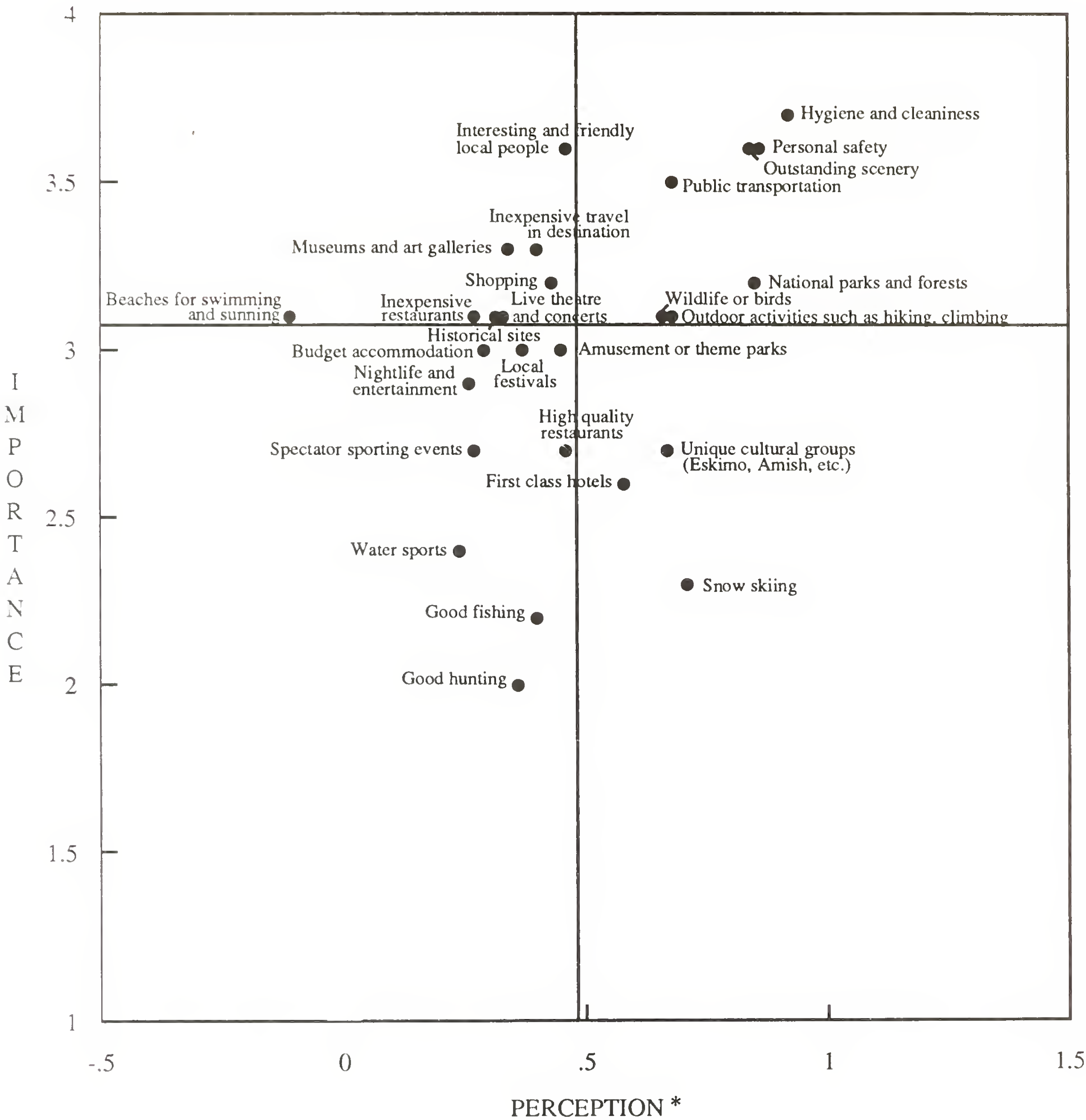
BRAZIL TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

ATTRIBUTE IMPORTANCE VS. PERCEPTION - CANADA

BRAZIL TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

Current visitors to North America from Brazil

Visitors to Canada and the United States were demographically similar to travelers in general, although visitors to the U.S. did have a tendency to be slightly better educated.

In terms of trips to Canada and the United States, touring trips were the most common type. This is consistent with the overall pattern noted earlier. The incidence of trips to visit friends and relatives, though, was comparatively lower among trips to North America.

The activities taken part in in North America were basically typical of the activities in other destinations.

The following are the destinations in North America most visited in the past three years. Compared with other countries surveyed, Brazilians appeared to have a particular interest in Quebec and Florida.

NORTH AMERICAN DESTINATIONS VISITED IN PAST 3 YEARS

Canada	Visitors	United States	Visitors
	%		%
Quebec	(75)	Florida	(74)
Montreal	65	Miami	46
Quebec City	48	Orlando	30
Ontario	(73)	New York	(53)
Toronto	65	New York City	47
Niagara Falls	25		
Ottawa	21	California	(35)
		Los Angeles	18
British Columbia	(15)	San Francisco	15
Vancouver	10		
		Washington, D.C.	(12)

Other market segments

The same segmentation procedures outlined for Italy and Australia were also applied to Brazil. Some of the resulting segments have similar names to those produced for these other two countries, but again the present descriptions should be examined in their own right to avoid confusing the different sets of results.

Travel philosophy segmentation resulted in identifying four groups of Brazilian travelers:

- **Budget Package** travelers (25% of the total market) prefer to travel on packages and guided tours, and are looking for inexpensive ways to travel.

- **Budget Independent** travelers (26% of the total market) are also looking for inexpensive ways to travel, but don't like to travel on packages and guided tours.

- **Luxury Guarded** travelers (31% of the total market) have a somewhat conservative approach to travel (preferring to stay put in a destination familiar to them rather than traveling from place to place). At the same time they are willing to spend money on luxuries.

- **Premium Package** travelers (18% of the total market) represent another package group, this time willing to pay a premium for luxuries and for the convenience of not having to make their own arrangements.

Four benefit segments were identified as follows:

- **Social Safety** travelers (23% of the total market) see travel as an opportunity to be with family and friends in a safe and familiar destination on their vacation.

- **Nothing Special** travelers (26% of the total market) have no special benefits that distinguish them from the average Brazilian traveler, although status, family and friends, and sports activities are definitely less important to this group.

- **Sports Adventure** travelers (36% of the total market) are mainly interested in sports activities, whether it be watching sporting events or participating in sports themselves. They want to challenge themselves and be daring and adventuresome.

- **Experiential** travelers (15% of the total market) are looking for a variety of experiences ranging from being daring and adventuresome to simply experiencing a foreign destination. New and different lifestyles, or just escaping from the ordinary, are important to this group.

Lastly, six product segments were identified:

- **Outdoor sports** travelers (19% of the total market) are interested in outdoors-related items such as fishing, hunting, campgrounds and trailer parks, and wilderness and undisturbed nature.

- **Culture and Nature** travelers (17% of the total market) are interested in culture-related items (unique cultural groups, historical sites, museums and art galleries, local crafts) as well as in nature-related items (hiking and climbing, wilderness and undisturbed nature, wildlife and birds, national parks and forests).

- **Budget Services** travelers (13% of the total market) are looking for budget food, accommodation and transportation.

- **Culture and Comfort** travelers (13% of the total market) have a culture orientation (museums and art galleries, historic old cities, live theatre and concerts) and enjoy the comfort of first class hotels and high quality restaurants.

- **Sports and Entertainment** travelers (25% of the total market) enjoy sports such as golf and tennis, water sports, fishing, hunting and snow skiing. They also enjoy casinos and gambling, spectator sporting events, and nightlife and entertainment in general.

- **High Roller** travelers (13% of the total market) want "fast track" features such as nightlife and entertainment, casinos and gambling, first class hotels, high quality restaurants, and good shopping.

Profiling these various segments with respect to each other reveals the following:

Product	*Travel Philosophy*	*Benefit*
Outdoor sports:	No particular segment	Sports Adventure
Culture and Nature:	Budget Independent	Nothing special
Budget services:	Budget Independent	Social Safety
Culture and Comfort:	No particular segment	Social Safety
Sports and Entertainment:	Luxury Guarded	Sports Adventure
High Roller:	No particular segment	No particular segment

The following are some examples of implications that can be drawn from these segments:

Of the four travel philosophy segments, the two **Package** groups showed a slightly higher than average interest in visiting the U.S. In addition, the **Premium Package** group had a slightly higher than average interest in visiting Canada, while the **Budget Package** group had a slightly higher than average likelihood of having actually visited the U.S.

From these standpoints, therefore, the Budget and Premium Package segments represent the two segments of most immediate interest to North America. Since current levels of package travel to Canada and the U.S. are about average when compared with other destinations, it would be a matter of improving these levels to above average.

Budget Package travelers are obviously looking for an inexpensive way of traveling, so it would be necessary to offer appropriate prices and discounts to attract this group. Interestingly, despite their package philosophy, this segment is about average in terms of existing levels of package travel. This may be an indication that current packages do not meet their needs, and that an opportunity therefore exists to fill this gap.

On the other hand, **Premium Package** travelers are more willing to pay higher prices and indulge themselves on their vacation. Any packages aimed at the segment should recognize the extremely high incidence of touring trips among this group.

Experiential travelers were the benefit group expressing the most interest in visiting the mainland U.S., and they should therefore be regarded as the most promising benefit segment overall. This is a young and single group which frequently travels alone. The free lifestyle of North America, along with its many opportunities for different kinds of experiences, should be promoted to this group.

The **High Roller** product group is a higher income group with money, and is willing to spend it on entertainment, hotels, restaurants and shopping. They are already the group most likely to have visited the U.S. mainland in the past 3 years, as well as the group most interested in visiting there in the future. It is therefore evident that the U.S. offers the fast track facilities needed to attract this segment.

Print media readership

The most popular publications among Brazilian long haul travelers were as follows:

Daily newspapers:	Jornal do Brazil (35%) O Globo (35%) O Estado de Sao Paulo (28%) Folha de Sao Paulo (27%) Do not read daily newspapers (5%)
Sunday supplements:	Touring Supplement (50%) Revista de Domingo (40%) Do not read Sunday supplements (28%)
Weekly periodicals and magazines:	Veja (65%) Manchete (28%) Do not read weekly periodicals and magazines (19%)

<u>**Monthly magazines**</u>: Claudia (31%)
Quatros Rodas (26%)

Do not read monthly magazines (32%)

It should be noted that some of these readerships patterns, especially for newspapers, would reflect the fact that fieldwork was limited to Sao Paulo and Rio de Janeiro.

MEXICO

Due to its proximity to the United States, Mexico represents a much different market than the others surveyed in this series of studies. Whereas the other markets surveyed examined travelers who visited or might visit long haul destinations by plane, the Mexican study also examined travelers who visited or might visit short haul destinations (i.e. the United States) by any mode of transportation. Such short haul travelers are of more relevance to the United States than to Canada, but the sample also included a significant number of long haul travelers of relevance to both countries.

In the description that follows, any references to the U.S. border states refer to Southern California, Texas, Arizona and New Mexico.

A typical trip

Basic trip characteristics were obtained for trips taken outside of Mexico. Since these trips included both long and short haul destinations there was considerable variation in these characteristics by destination visited. The reader is referred to the detailed report available under separate cover for complete information.

The average trip outside Mexico lasted approximately 22 nights. The most popular times of year to travel were summer (44%) and fall (25%).

Most (79%) of the travel parties had at least two members, with a mean of 3.4 members. Traveling partners were most likely to be a spouse/girl friend/boy friend (37%), children (23%), parents (17%), or other relatives (33%).

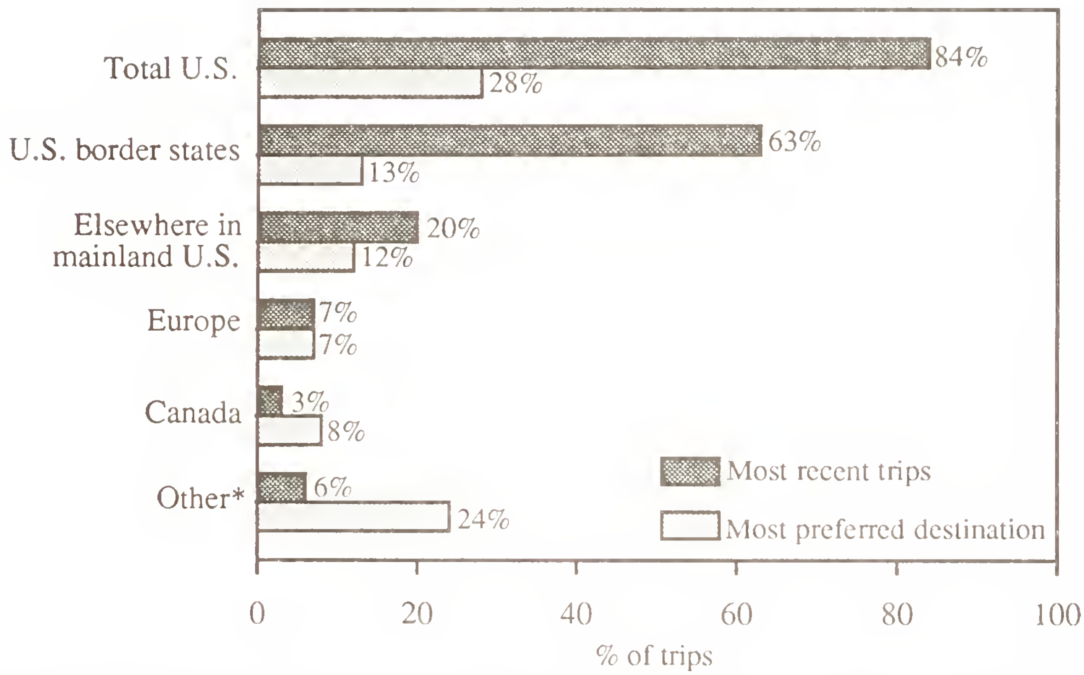
Mexican travelers were generally self-reliant in their travel planning and arrangements. A total of 84% of trips were independent in the sense of not involving package travel. Only 38% of travelers used a travel agent to book any part of their vacation. Just over one third (36%) of travelers claimed not to use any outside sources of information in planning their trip. Among those who did, travel agents and friends/family were about equally important sources.

The lead time for traveling was relatively short. In 63% of the cases, the destination of the trip was decided within eight weeks of departure. In 76% of the cases, the trip was booked within three weeks of departure.

Current and preferred destinations

The United States accounted for the great majority of all trips outside Mexico. The border states were visited on 63% of the trips, the rest of the U.S. mainland on 20%. Canada was a relatively insignificant destination as it was visited on only 3% of trips, although 8% did name it as the one place outside Mexico they would most like to visit.

CURRENT AND PREFERRED TRAVEL DESTINATIONS OUTSIDE MEXICO

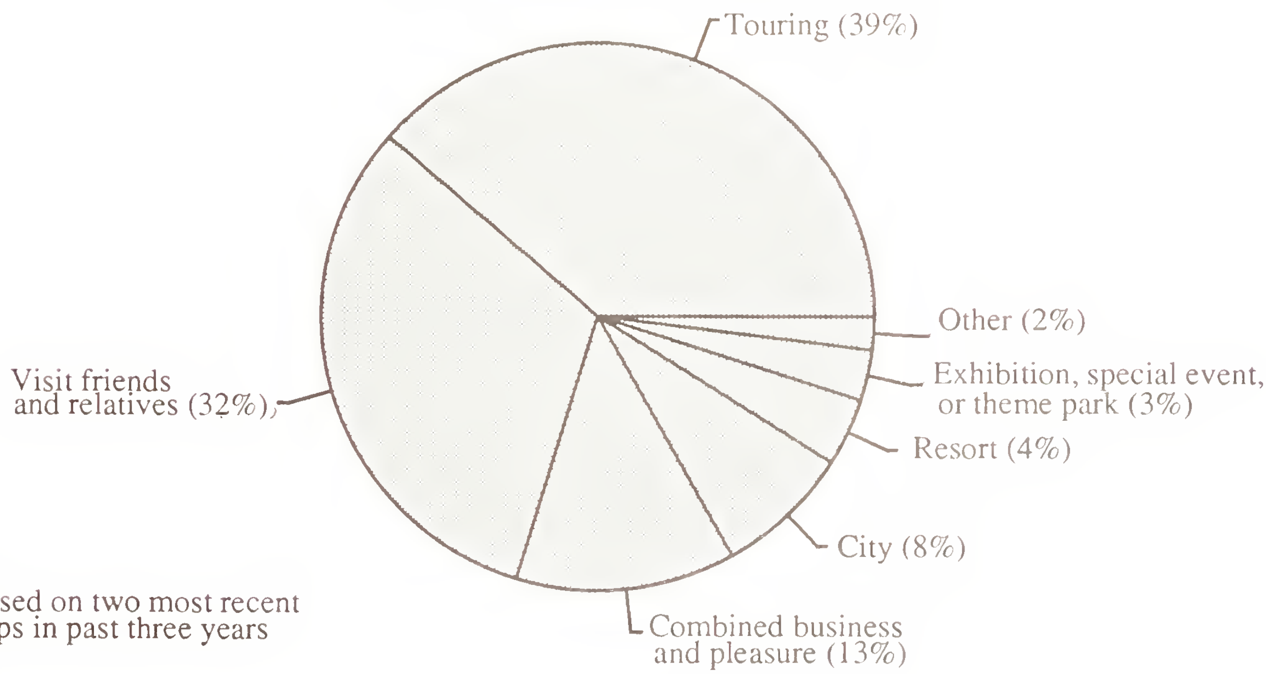


* Includes Central America, South America the West Indies/Caribbean, Africa, Near/Middle East, Asia, South Pacific, and Australia/NewZealand

Activities

Most of the trips taken were either touring trips or trips to visit friends and relatives:

TYPE OF TRIP TAKEN*



* Based on two most recent trips in past three years

The specific activities taken part in were not too different from those seen in other countries:

TOP 10 ACTIVITIES (RANK ORDER)

1. Sampling local foods
2. Shopping
3. Dining out in restaurants
4. Taking pictures/filming
5. Sightseeing in cities
6. Contacting the local inhabitants
7. Observing wildlife/bird watching
8. Visiting friends or relatives
9. Visiting amusement or theme parks
10. Visiting scenic landmarks

Desired features in a destination

A number of features in a destination outside Mexico are important:

MOST DESIRED FEATURES IN A DESTINATION OUTSIDE MEXICO

	Importance*
Foreign Experience	
Opportunities to increase knowledge	3.7
Culture different from my own	3.4
Historic old cities	3.3
Museums and art galleries	3.3
Comfort	
Hygiene and cleanliness	3.7
Personal safety	3.7
Environmental quality of air, water, soil	3.5
Public transportation	3.5
Manageable size to see	3.5
Nature and outdoors	
Outstanding scenery	3.5
Wilderness and nature	3.4
Wildlife or birds	3.4
National parks and forests	3.3
People	
Interesting and friendly local people	3.5
Warm welcome for tourists	3.4

* Mean rating on 4-point scale where 4 = very important and 1 = not at all important.

Weather	
Reliable weather	3.4
Warm, sunny climate	3.2
Cost	
Budget accommodation	3.4
Inexpensive travel in destination	3.3

LEAST DESIRED FEATURES IN A DESTINATION OUTSIDE MEXICO

	Importance*
Golf and tennis	2.0
Good hunting	2.1
Good fishing	2.2
Casinos and gambling	2.2
Snow skiing	2.2
Campgrounds and trailer parks	2.2
Water sports	2.4
Hiking, climbing	2.5
Exotic atmosphere	2.6

* Mean rating on 4-point scale where 4 = very important and 1 = not at all important.

The image of Canada and the United States

In terms of awareness, only 76% of travelers were able to name a specific vacation destination within Canada on an unaided basis, although virtually all were able to do so on an aided basis. Perhaps not surprisingly, travelers did not need the same type of aid in naming a specific destination in the United States.

The following represent the destinations most frequently mentioned:

Canada	Awareness*	Interest*	United States	Awareness*	Interest*
	%	%		%	%
Montreal	65	49	Los Angeles	56	27
Quebec City	61	42	New York City	54	33
Ottawa	44	21	San Francisco	47	25
Toronto	41	23	Miami	40	20
Niagara Falls	41	29	Las Vegas	33	16
Vancouver	34	18	Houston	26	9
Calgary	25	12	San Diego	26	9
Vancouver Island	18	11	Chicago	22	8
			Disneyland	20	10
			San Antonio	18	5
			New Orleans	18	8
			Dallas	16	5

As shown in the accompanying perceptual maps**, the United States did well against other overseas destinations on a variety of dimensions, but had particular competitive advantages in terms of the opportunities to increase knowledge and escape from the ordinary, public transportation, national parks and forests, shopping, and amusement or theme parks. The main shortcomings of the United States were interesting and friendly local people and historical sites.

By contrast, Canada did very well in terms of personal safety, hygiene and cleanliness, outstanding scenery, national parks and forests, and wildlife or birds. It had some weakness in terms of budget accommodation and inexpensive travel in destination.

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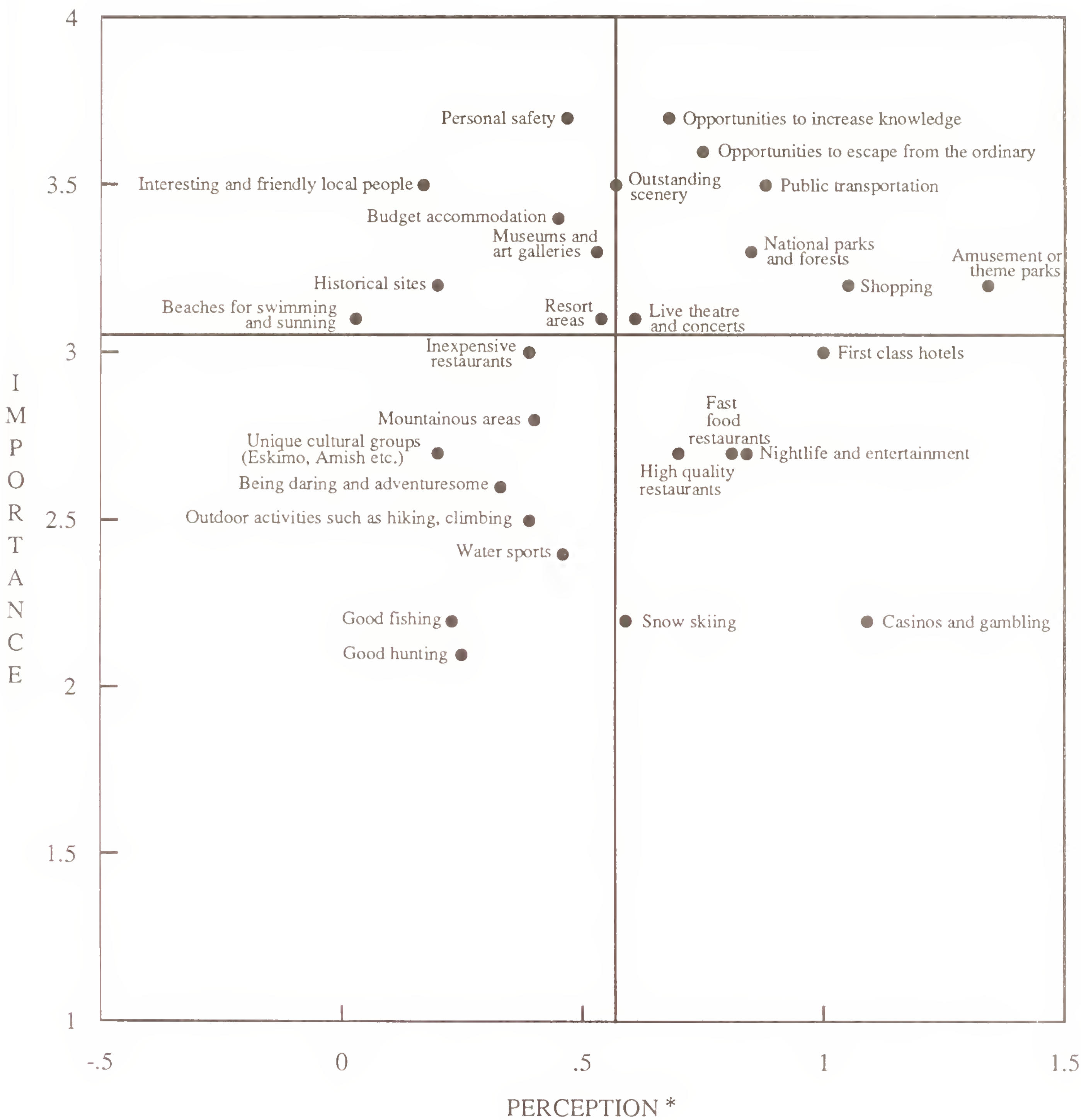
* Awareness was measured by asking travelers to name eight destinations to which people might go on a vacation. The first five mentions were unaided, while the remaining three mentions were aided with the use of a map. This was done separately for Canada and the United States.

Interest was measured by asking travelers to name the three destinations they would be most interested in visiting or re-visiting. Again, this was asked separately for Canada and the United States.

** The maps plot perceptions of the United States and Canada on various attributes vs. the importance of those attributes. Areas of greatest strength are those in which the combination of importance and perception is relatively high (the upper right quadrant). Areas of greatest weakness are those of high importance in which perceptions are relatively low (the upper left quadrant).

ATTRIBUTE IMPORTANCE VS. PERCEPTION - U.S.

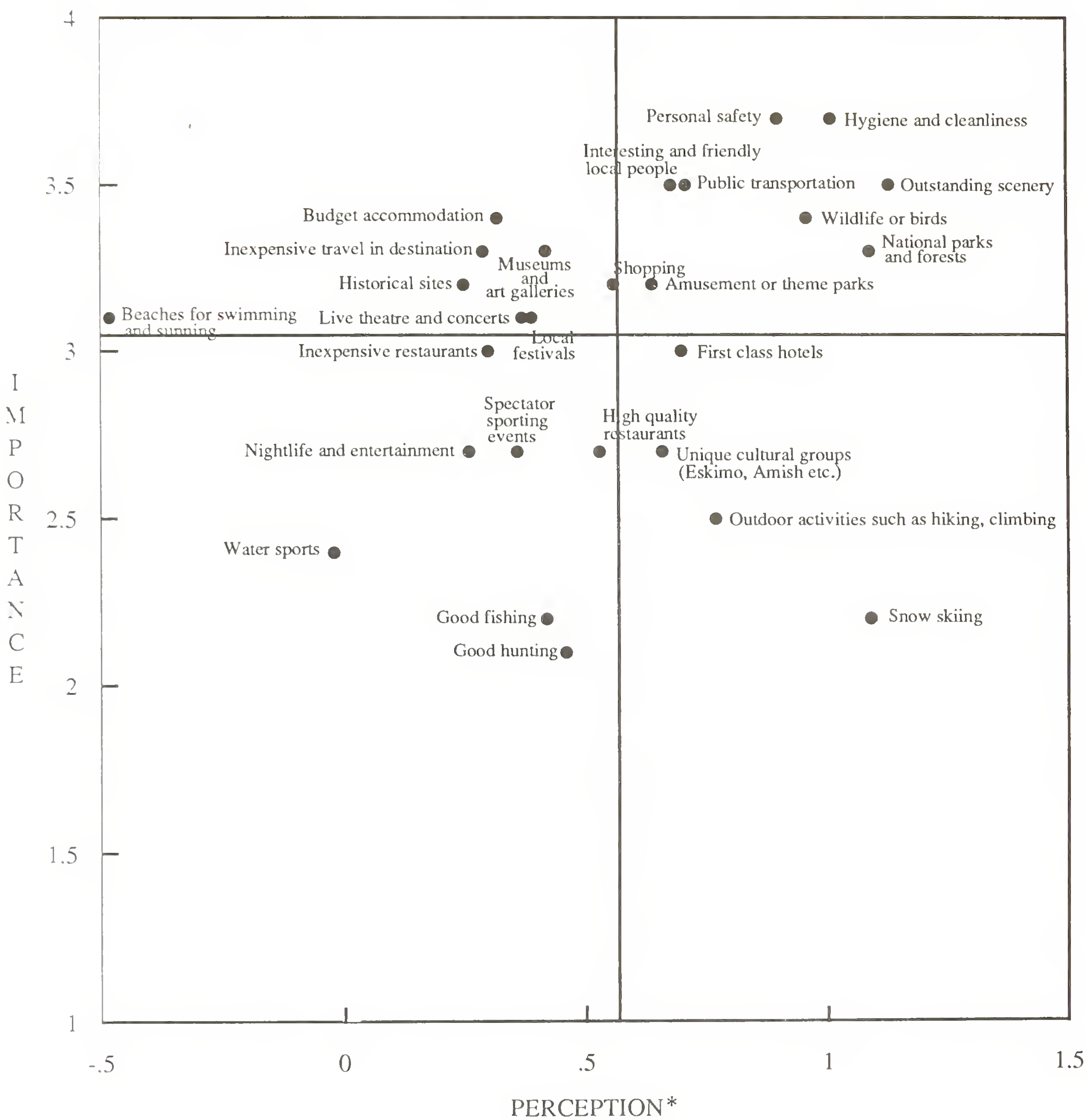
MEXICAN TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

ATTRIBUTE IMPORTANCE VS. PERCEPTION - CANADA

MEXICAN TRAVEL MARKET



* As compared with other long haul destinations on a scale of -2.0 to +2.0.

Current visitors to the United States and Canada

Due to the low number of travelers to Canada it is difficult to make definitive statements regarding their demographic profile. They did, however, appear mostly to originate from Mexico City itself. Travelers to the U.S. border states had comparatively lower levels of education and income than did travelers elsewhere on the mainland.

The most popular type of trip to the U.S. border states was a trip to visit friends and relatives, unlike trips to Canada or elsewhere on the mainland which were most likely to be touring trips.

The following are the destinations most frequently visited in the past three years:

NORTH AMERICAN DESTINATIONS VISITED IN PAST 3 YEARS

Canada	Visitors %	United States	Visitors %
Ontario	(63)	California	(53)
Toronto	45	Los Angeles	35
Niagara Falls	36	San Diego	16
Ottawa	23	San Francisco	13
Quebec	(51)	Texas	(40)
Montreal	41	Houston	16
Quebec City	30	San Antonio	14
British Columbia	(33)	Florida	(19)
Vancouver	24	Miami	12
Victoria	11		

Other market segments

As with the other countries studied, travel philosophy, benefit and product segments were also identified for Mexico. A final reminder is given that similar names for the various groups do not necessarily mean that they were identical to those seen earlier for other countries.

There were four Mexican **travel philosophy** segments:

- **Independent** travelers (24% of the total market) prefer to make their own travel arrangements rather than travel on package vacations.

- **Premium Package** travelers (28% of the total market) are inclined towards package travel, and are willing to pay for luxuries and the convenience associated with package travel.

- **Budget Package** travelers (25% of the total market) are also inclined towards package travel, but are more budget conscious and interested in low cost vacations.

- **Reluctant** travelers (23% of the total market) are less enthusiastic travelers in that traveling is not necessary for them to enjoy a vacation and they would just as soon spend their money on other things. They are probably followers of a more travel-oriented partner.

Four benefit segments were also identified:

- **Social Getaway** travelers (24% of the total market) like to visit family and friends on their vacation as a means of getting away from the demands of home.

- **Adventure** travelers (25% of the total market) are free spirits looking for thrills, excitement and adventure when they travel.

- **Sports and Adventure** travelers (35% of the total market) are similar to the Adventure group except that they are interested in sports as a way of challenging themselves.

- **Family** travelers (17% of the total market) are another group enjoying family and friends, except unlike the Social Getaway group they enjoy this as an end in itself.

Five **product** segments were identified:

- **History and Culture** travelers (15% of the total market) have an above average interest in seeing historical sites, museums and art galleries, and historic old cities.

- **Budget Conscious** travelers (20% of the total market) desire inexpensive food, accommodation and transportation, although they might also be interested in first class hotels provided they get value for money.

- **Entertainment and Sports** travelers (32% of the total market) want fast-paced entertainment facilities to go with their interest in sports activities.

- **Outdoor Sports** travelers (20% of the total market) are also interested in sports activities, but preferrably those that take them closer to nature and the outdoors.

- **Rural Culture** travelers (14% of the total market) are interested in nature and the outdoors, but also in such things as small towns and villages, local crafts and festivals, different cultures, and museums and art galleries.

These various segments overlap as follows:

Product	*Travel Philosophy*	*Benefit*
History and Culture:	Budget Package	Adventure
Budget Conscious:	Budget Package Reluctant	Social Getaway
Entertainment and Sports:	Premium Package	Sports and Adventure
Outdoor Sports:	Reluctant	Sports and Adventure
Rural Culture:	Independent	Social Getaway Family

Some implications to be drawn from these groups are as follows:

Even though **History and Culture** travelers tend to earn a higher income, they are the most likely to have a Budget Package travel philosophy. Being well-represented in the Adventure benefit segment, they are enthusiastic travelers looking for new experiences in foreign destinations. This is the segment most likely to take long haul trips to Europe. Being willing to travel long distances, they can be considered a strong potential market for travel to the U.S. and Canada. In fact, although the difference was not strong, they were the segment already the most interested in visiting Canada. Although they are no more likely than average to have traveled in North America, they did express an above average interest in visiting large cities like New York and Montreal. Improvements in package travel and the promotion of North American cultural features appear to be necessary to attract more of this segment.

There is a good fit between the products desired by the **Outdoor Sports** group and the opportunities in Canada and the U.S. to take part in them. The proximity of North America would be of further appeal to the Reluctant travelers in this group. Currently, however, this group does not show a particular interest in traveling within North America. By increasing its awareness of North America as a travel destination, this segment would therefore seem to provide an opportunity for significant growth in the future. Not surprisingly, this is a male group including a large number of Sports and Adventure travelers.

The **Rural Culture** group is another group offering a good fit between product needs and product offerings in Canada and the U.S. At the same time, this is an older, female group predominantly from the Social Getaway and Family benefit segments. There is therefore some question as to the extent to which this group would translate their product needs into actual travel. This does not mean that this group should be ignored, just that the level of marketing effort might be somewhat tempered.

Print media readership

The most popular publications were as follows:

Daily newspapers:	Excelsior (26%) El Universal (16%) Do not read daily newspapers (7%)
Weekly periodicals and magazines:	Procesco (23%) Impacto (23%) Time (17%) T.V. Novelas (15%) Do not read weekly periodicals and magazines (37%)
Monthly magazines:	Selecciones (63%) Contenido (21%) Vanidades (20%) Do not read monthly magazines (20%)

It is evident that there are a number of publications which could be used to reach a significant number of Mexican travelers.